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A Weekly Newspaper Established in 1917

September 2, 1939

Whither Japanese Policy?

AN EDITORIAL

The Tientsin Flood Disaster

China After Two Years' War

BY GERALD L. G. SAMSON

Fateful Days in Europe

Nippon-U.S. War Inevitable

BY LIEUT.-GEN. KIYOKATSU SATO

Elements in Europe Crisis

EDITORIAL CORRESPONDENCE

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Volume 90

Number 1

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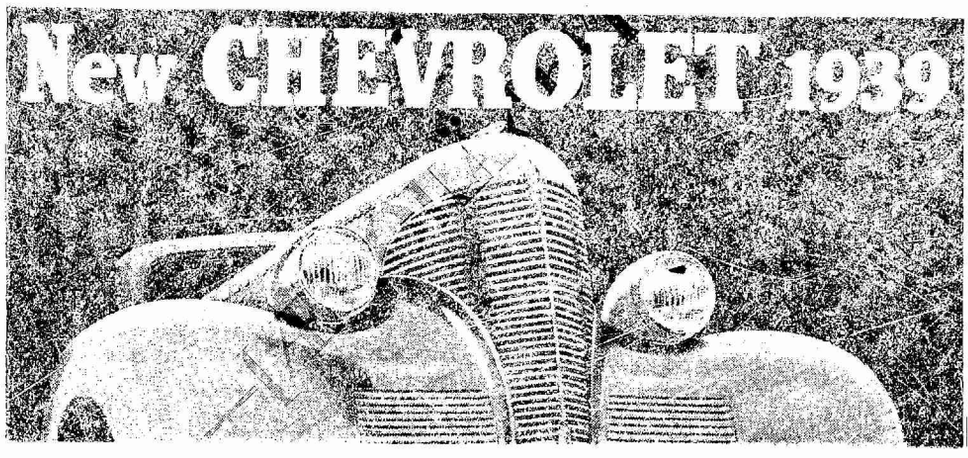

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Since then, the China Press staff has been maintained on a "war footing," has been putting out the noon extra daily. This ten-cent four-sheet special issue, carrying up-to-the-minute flashes from Europe, will continue to appear on the news-stands as long as the crisis lasts.

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review.*

THOUGHT ON CHINA

To the Editor:

I shall be gratified if you will publish in your esteemed weekly the enclosed poem entitled "A Thought on China," for I believe it expresses the feelings of all overseas Chinese.

MALAYAN CHINESE.

Seremban, F.M.S.,
August 9, 1939

* * *

O China dear, my Motherland,
What sorrows thou hast still to see,
What battles yet thy sons must face,
Ere thou victorious be!

Ah! would that I might know how I
Could serve best in thy hour of need:
I'll not delay to sacrifice
My wealth, my life, my all indeed!

But weak, poor creature that I am,
How little I could do for thee!
My lot forbade thy arms to lead,
Or to direct thy destiny.

Yet such I have, I freely give,
All that thou wouldst demand of me;
O God forbid that I should fail
In this my duty plain to thee!

When countless millions suffer death
And loss of home and all possess'd,
No, naught could I withhold my aid,
To spend in ease and selfishness!

Such sufferings as thy sons now bear,
The deepest sympathy instil.
O Lord, grant me that strength and power
I need, my duty to fulfil!

COST OF LIVING

To the Editor:

The higher cost of everything in Shanghai is affecting nearly everyone except the racketeers and profiteers who always exploit opportunity at the expense of the great mass of the population and regardless of human misery.

It seems to me that the S.M.C. and all those in authority have never found any means of protecting the human rights of the millions here. They always pay heed to the wails of the public utility concerns and even say that they have no authority to place any check on the demands of rackrenting landlords. They have forced us to pay more for our electric light, gas, water, etc., but they do nothing to stop the soaring of rentals and the prices of food and other necessities.

I have always had the view that the S.M.C., as controlled by the vested interests, is not a beneficial body. A city like this is unable to stand on its own feet when those in authority and the men of business are dedicated to an orgy of exploitation of the miserable population of the International Settlemen.

The hostilities at Shanghai were the immediate cause of the crowded conditions south of the Creek. A million Chinese entered the Settlement and Concession. Most of them were given shelter by friends and relatives. In small two, three or four-room houses as many as five families were crowded together and are still living in this manner. In one such house there are often only two breadwinners.

Many refugees came from the outlying districts. They have no friends or relatives in Shanghai and many are destitute and are is one way or another charges on charity. Those who have some money are paying exorbitant rents for the rooms they occupy.

Surely something can be done about it!

L. A.

Shanghai, Aug. 20, 1939

NIPPON PROPAGANDA

To the Editor:

I have been amazed at the number of pro-Japanese articles appearing in the American press and the manner in which responsible newspaper columnists have apparently fallen for some of Nippon's subtle arguments. For instance, on May 24 there appeared on the editorial page of the **N. Y. World-Telegram** an article entitled "U. S. Interests in the Far East," written by Dr. Harry Elmer Barnes.

Three-quarters of the article was a verbatim quotation from a Japanese-authored article in **The Living Age**, repeating one of Nippon's oldest arguments that because American interests in Japan are more than three times as great at those she has in China, it is important for America to keep on good terms with Japan. Dr. Barnes supported this thesis.

I regret to say that despite the number of organizations supposedly working for China, not a single one attempted to answer Dr. Barnes until I brought the matter to their attention. And even then it took a leter from me, an Englishman, to start the ball rolling, after which Upton Close took a crack at Dr. Barnes.

VISITOR TO N. Y.

At Sea, June 12, 1939

THANKS!

To the Editor:

I certainly commend your fortitude and correct stand for China.

OWEN F. ROBERTS.

China Society of America,
July 19, 1939

THE CHINA WEEKLY REVIEW

Formerly Millard's Review
Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
C. FRANK GLASS, *Assistant Editor* HOH CHIH-HSIANG, *Editorial Dept.*
Advertising Dept.: TRYPHON V. KU, S. GRUENBERG
F. K. CHAO, *Business Dept.*

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PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, FOURTEEN DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 TO COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL—TO CHUNGKING AND ELSEWHERE IN WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $30 A YEAR OR $15.50 FOR A HALF-YEAR.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS." COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

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Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

Volume 90 | Shanghai, China, Saturday, September 2, 1939 | Number 1

Japanese Policy Thrown Into the Melting Pot By the Fall of the Hiranuma Cabinet

WITH the props knocked from under it by the action of Germany and Soviet Russia in entering into a non-aggression pact, the Japanese government headed by Premier Hiranuma tendered its resignation to the Emperor on Monday of this week. This event may prove to have as great a significance for the future course of Japanese foreign policy as the ousting of Foreign Commissar Litvinoff had for Soviet policy, although it is still too early to speculate confidently as to what the actual results will be.

There had been numerous indications that the civilian section of the Tokyo government was coming into increasing conflict with the fighting services on questions of foreign policy. Baron Hiranuma and those in agreement with him were growing more and more doubtful of the wisdom of digging an unbridgeable gulf between Japan and the democracies, and indicated their attitude by stalling off the demand of the fighting services for a military alliance between Japan and the totalitarian states in Europe— a move which, in the view of the Tokyo warlords, would have enabled Japan to intensify with impunity her campaign against third powers and third-power interests in China and thus convert the hopelessly bogged Sino-Japanese war into a species of war between Japan and the western powers in China.

Hiranuma's stalling proved effective in a way that he himself could hardly have anticipated. Berlin and Moscow came together, signed a non-aggression pact, and thus put an end to the dream of the Japanese warlords which envisaged a hard and fast military alliance with the European axis. The warlords have shown their displeasure—to put it mildly—by kicking the Hiranuma cabinet downstairs.

What next? General Nobuyuki Abe, retired army man, has been entrusted by the Emperor with the task of forming a new Cabinet. At this writing he is busy selecting his ministers and the new government will in all probability be completed by the time these lines appear in print. None of the ministers in the Hiranuma cabinet are expected to be retained.

But so far, perhaps, the most significant name thrown up in the list of prospective cabinet ministers is that of Mr. Mamoru Shigemetsu, Japanese Ambassador to London, who has been mentioned for the post of Foreign Minister, replacing Mr. Hachiro Arita. At one time Japanese Ambassador to China, Mr. Shigemitsu has a reputation for being very friendly toward Great Britain. Army endorsement of his candidature might very well mean that Japan's rulers have decided on a fundamental reorientation of the country's foreign policy along the lines of friendship—and possibly an alliance—with the European democracies.

The premiership, however, is decisive. Who is General Abe? In 1935 he was Vice-Minister of War under War Minister Ugaki, and when the latter became ill he was appointed to act for him as Minister without Portfolio. Now 65 years old, he graduated from the Military College in the same class as that of General Sadao Araki, Minister of Education, and General Shigeru Honjo, retired. According to *Domei*, he has no political affiliations, while the Japanese press discloses the interest-

NEW CABINET TAKES OFFICE

The new Cabinet was completed Wednesday morning, Aug. 30, and sworn into office in the afternoon. Following is the complete list of new Cabinet members:—

Premier:—Gen. Nobuyuki Abe.

Foreign Minister:—Gen. Nobuyuki Abe, concurrently.

War Minister:—Gen. Shunroku Hata, former Chief Aide-de-Camp to the Emperor and Commander-in-Chief of the Expeditionary Force to Central China.

Home Minister:—Mr. Naoshi Obara, former Justice Minister.

Finance Minister:—Mr. Kazuo Aoki, President of the National Planning Board.

Navy Minister:—Vice-Admiral Zengo Yoshida, former Commander-in-Chief of the Combined Fleet.

Minister of Justice:—Mr. Chogoro Miyagi, former Chief Public Procurator of the Nagoya Appellate Court.

Minister of Education:—Mr. Kakichi Kawarada, former Home Minister.

Minister of Commerce and Industry:—Vice-Admiral Takuo Godoh, former Railways Minister.

Minister of Agriculture and Forestry:—Vice-Admiral Takuo Godoh, concurrently.

Minister of Communications:—Mr. Ryutaro Nagai, former Minister of Communications.

Minister of Railways:—Mr. Ryutaro Nagai, concurrently.

Minister of Overseas Affairs:—Mr. Tsuneo Kanemitsu, former Deputy Speaker of the House of Representatives.

Minister of Public Welfare:—Mr. Naoshi Obara, concurrently.

ing fact that he has never seen active service. In 1936 he "set an example" by resigning from the War Council and assuming responsibility, as the senior army officer, for the military revolt on Feb. 26 of that year. Since then, he has been director-general of the Toa Dobunkai Association, an organization of prominent men interested in China affairs.

If the cabinet of Baron Hiranuma was dominated to all intents and purposes by the fighting services—as undoubtedly it was—the new cabinet seems likely to be one consisting *of* the fighting services, although military men are not likely to be given such portfolios as foreign affairs and finance, for which no military man is equipped.

As to what the new government's policy is likely to be, the utmost confusion seems to reign. Reports from Tokyo, instead of clarifying the situation, have only added to the confusion. Detached observers receive the impression that the German-Soviet pact has created such utter consternation, and came as such a complete surprise, that Japan's rulers have not yet been able to gather their thoughts, much less determine, even tentatively, their future course. While the Japanese press roundly condemned Germany for entering into a pact with Soviet Russia, Japan's arch-enemy, the Hiranuma government while lodging an official protest with Berlin, was much more circumspect in its comments. Perhaps some of its members had the idea that signature of the German-Soviet pact did not *necessarily* close the door to an alliance between Japan and the European axis powers.

On Aug. 27, eve of the resignation of the Hiranuma cabinet, War Minister Itagaki, according to a *Transocean* message from Tokyo, told Prince Konoye, president of the Privy Council, that Japan must maintain and even "morally intensify" her friendly relations with Germany and Italy. The Rome-Berlin-Tokyo axis, he added, still continued to exist and the question of terminating the Anti-Comintern Pact had not been envisaged. From Tokyo came a *Domei* report on Aug. 28, stating that the Italian Ambassador, acting on instructions from Rome, had informed Foreign Minister Hachiro Arita that the attitude of the Italian Government toward Japan had not been changed by the non-aggression pact between Germany and Russia.

The day the cabinet resigned, *Domei* reported from Berlin that Nazi circles were watching political developments in Japan with close attention, "apparently fearing that Japan might desert the Berlin-Rome axis in her reversion to an independent diplomatic policy and lean toward rapprochement with Britain." It was regarded as possible, the agency said, that the policies of the new Japanese cabinet might have an important effect on Germany's relations with Great Britain.

Germany has at least one good reason for trying to remain on good terms with Japan. By the terms of the non-aggression pact which Berlin has entered into with Moscow, Germany would be in a rather awkward situation *vis-a-vis* Japan if Japan were to attack the U.S.S.R. in Siberia, for Germany is now obligated not to render any assistance to any state which may commit aggression against the Soviet Union. Moscow could construe this obligation very comprehensively. It may even be that there are secret clauses to the pact, obligating Germany to aid Soviet Russia actively in the event of an attack by Japan. The London *Daily Express* asserted last week that there are secret clauses, but did not specify what they were. The assertion brought prompt denials from both Berlin and Moscow. Yet there are grounds for disbelieving these denials.

After signing the pact in Moscow on Aug. 23, Reich Foreign Minister Von Ribbentrop was asked for his opinion as to what impression the pact was likely to make in Japan, *Transocean* reported. To this he made the following reply: "I am convinced that this pact will have favorable results for Russo-Japanese relations, as well as for German-Japanese friendship." This remark appeared somewhat cryptic until Aug. 26, when *Transocean* brought another report from Moscow which read: "Consultations which have been going on during the past few days between the Japanese Ambassador here, Mr. Shigenori Togo, and the Assistant Commissar for Foreign Affairs, M. Lozovsky, have revealed a desire on the part of Japan and Soviet Russia to settle their outstanding differences through diplomatic channels." This, the German agency said, was according to "well-informed circles."

One is entitled to assume from the foregoing that there exists some anxiety in Berlin that Germany and Japan should not drift too far apart. Tokyo reactions were enlivening. The *Asahi Shimbun* declared that

Japan Trying to Extricate Her War Machine

The Tribune, London

readjustment of relations between Japan and the Soviet Union is impossible in the present circumstances. "This is especially true," the paper said, "since the Soviet Union, who will be given a free hand in the Far East thanks to the non-aggression pact with Germany, will attempt to bring pressure to bear on Japan in border questions, as well as in the North Sakhalin and fishery issues. Even a non-aggression pact between Japan and Russia would not save the situation. The imminence of a military clash between Japan and the Soviet Union means that the China Incident is approaching a full-dress stage for which Japan, whether willing or not, must make ready by completing military preparations. A hope for readjustment of relations between Japan and the Soviet Union could arise only after that stage."

Although political developments do not always follow what appears to detached observers to be the "logical course," it would seem likely that Japan's future policy, even with a thoroughly military cabinet in the saddle, will be oriented toward friendship with the democracies, rather than attempts to edge into the Rome-Berlin-Moscow axis, for the latter course seems to offer no advantages, either immediate or prospective. Japan's future course, however, is going to be dictated less by the arbitrary will of the military than by the development of the European crisis. If war breaks out in the West, Japan, in the nature of the situation, will be compelled fairly early to choose sides. Should Italy desert Germany (as she did in the last World War and as she is likely to do again) Hitlers' Reich, with the dubious "support" of a neutral Russia, would be in a pretty hopeless posi-

90-008

tion, and Japan would have little choice but to join the winning coalition.

There are those who believe that Japan will utilize the situation created by a war in Europe to grab all she can in the Far East, with the idea of establishing bargaining points in preparation for a new Versailles peace conference. This is a possibility to be reckoned with.

Meanwhile, there are not a few indications that the German-Soviet pact has already brought Japan to a more reasonable frame of mind as regards her attitude toward Great Britain, who for months past has been the main target of Japanese attack. This week, most

The Backfire

The Chicago Tribune

of the Japanese troops sent to the Hongkong border were withdrawn and talk of a blockade of the British colony has been dropped. In Tientsin, according to a *United Press* report, Japanese sentries are exercising their proclivity for slapping on good German subjects instead of good British subjects. And in Japanese-occupied Hongkew, British policemen of the Shanghai Municipal Police are finding themselves the sudden object of an excessive Japanese politeness.

The French, too, are coming in for a share of Japanese appeasement. The French Concession in Hankow, partially "isolated" since the Japanese occupation of the Wuhan tri-cities in October of last year, was opened to unrestricted traffic on Aug. 25 as the result of an understanding between the local French and Japanese authorities.

However, the British and French Concessions in Tientsin are still subject to a formal Japanese blockade, although the disastrous flood has made its enforcement not quite practicable. The Anglo-Japanese negotiations in Tokyo are still suspended and a resumption is hardly likely until the European situation is resolved either by war or its further postponement. Informed observers in Tokyo were quoted by *Domei* this week as predicting that Japan's "fundamental policies" in the China conflict would not be changed by the new Cabinet. The *Mikayo Shimbun* declared on Aug. 24, several days before the resignation of the Cabinet, that Japan would in all probability formally denounce the Nine-Power Treaty, since Japan has long held the view that the situation in East Asia has changed so radically as to make the pact a dead instrument. The paper went on to say that Great Britain and the United States were trying to sound out Japan with a view to convoking a conference based on the Nine-Power Treaty, but declared that the Japanese Government "must absolutely repudiate such a course, which would be tantamount to concerted intervention in Japan's dealing with China."

In a public address at Tokyo on Aug. 24, Foreign Minister Arita said that a new central government in China would be established before long. He urged the nation to develop its resources and achieve the objective of the China campaign single-handedly, without depending on others. Unfortunately for Japan, the "objective of the China campaign" is as elusive as ever. Worse still, Japan has arrived at a position where it is practically impossible for her to go forward and equally impossible to withdraw. The change of government is not going to alter this awkward situation in the least, although the new cabinet may evolve new policies for dealing with it. When the new government gets into its stride, we may witness an extension and intensification of the Japanese military campaign in China, or the virtual abandonment of that campaign and its replacement by a more concentrated effort to create a puppet central government, enabling Japan to begin extracting some material returns from the already occupied territory. It is certain that Japan's rulers will be obliged to find some means of ending the present stalemate.

Dairen Becomes a City of "Practically Nothing"

RECENTLY several tourists from the United States, who traveled on free tickets provided by Japanese steamship lines and government-owned railways, brought to Shanghai enthusiastic stories about "normal conditions" in Japan, Korea and Manchuria. The reports about the people peacefully working in the fields and going happily about their daily tasks, entirely oblivious of the fact that Japan is at war, were so uniform as to suggest a common propaganda source.

The following paragraphs from the Dairen correspondent of the *North-China Daily News* (Aug. 27) gave an obviously more accurate account of actual conditions in Dairen, chief Japanese city in Manchuria:

> "Dairen is becoming every day more and more a 'practically no' city. There are practically no water, no ice, no foreign cigarettes, no well washed clothes, no milk, no rain, no well known brands of liquor, no tinned foods from abroad, no spare money as it is all swallowed up in the increased cost of living.
>
> "But there is more to come . . . . tomorrow sees the beginning of air defense maneuvers . . . . so light control will then start. For the blackout all rooms where one wishes to find oneself or someone else must have black paper over the panes of glass. For this to be efficacious the windows will all have to be closed . . . So on top of everything else for about a week or more unlucky Dairen will have practically no air."

The Dairen correspondent, who has a sense of humor, then told of a party of fifteen American and Canadian women school teachers who passed through Dairen on a government conducted tour of Japan's Far East, with all expenses paid by the Culture Bureau of the Foreign Office, the Japan Tourist Bureau and the government railways of Nippon and Manchuria. The good ladies were quite intrigued by Japanese cormorant fishing, the rapids of Gifu and the three-tiered hats of Korea, but generally the party had about fifteen different opinions about the situation in the Far East. These opinions, so hastily acquired, in due course will be disseminated to their pupils upon their return to their home cities in Canada and U. S. A. While in Dairen the party was given a "fruit banquet" by the Misukoshi department store, most of the foods served having come from Manchuria and Formosa. The correspondent suggested that the visiting schoolmarms probably would remember the banquet longer than their other experiences due to the strain which it probably produced on their digestive tracts.

Some Significant Elements Bearing on the Issue of Peace and War in Europe

(Editorial Correspondence)

THE space allotted for these paragraphs is insufficient to permit complete coverage of the whole of the present political situation in Europe with all its complications and intricacies. Also there is little need for an extended exposition of the European situation, since the Shanghai public in general is well aware of the main facts and the chief lines of action. But there are certain aspects of recent developments in the Old European World which appear to deserve closer attention than they have received.

First of all, it seems extremely unlikely that "carte blanche" was given Poland by Britain in the form of the Anglo-Polish assistance pact, and similarly Germany by Russia in the Russo-German treaty of non-aggression. If neither of these pacts had been qualified by any secret arrangements or understandings, it would mean that the London Cabinet had left it to Warsaw to decide when and whether Poland will have to consider herself attacked, and when Britain would have to come to her assistance and fight Germany. It would mean the subordination of British to Polish foreign policy on the very verge of another possible Great War. After all that is known of British foreign policy, and after the British experience of August, 1914, it is hardly believeable that the Anglo-Polish treaty was not conditioned by certain important reservations on the part of Britain which may, to a certain extent, leave it up to London to decide whether there will be war or peace.

On the other hand, it is equally improbable that Moscow would have signed the pact of non-aggression with Germany without further important reservations. While Moscow might wish to encourage Germany to deal firmly with Poland, the Soviets would not want to run the risk of implementing the Anglo-Polish pact of assistance, and of a general war. The Soviet Government could only have done so in case it fell a sudden prey to utter panic, or deliberately wished to bring about another Great War, while the Russians themselves awaited the outcome in "splendid isolation" hoping to take revolutionary advantage of whoever should be defeated. Either eventuality may turn out to be as unlikely as the other. Therefore, it must be suspected that Moscow obtained at least certain assurances, whatever these may be worth, on the part of Germany, to the effect that no undue use would be made of the non-aggression pact to which the Soviet fixed its signature.

Such reservations on the part of London, as regards Warsaw, and of Moscow as regards Berlin, ought to form assets on the side of peace. These efforts center, by no means accidentally, around the attitude of Italy. Of the various peace messages and appeals launched by the President of the United States, his address to the King of Italy appears to be by far the most important, and the most promising. Also the Pope's appeal for peace undoubtedly will have the strongest effect in Italy. It was Mussolini who intervened last year to bring about the Munich Conference, and it may be Mussolini again who will launch the decisive intervention during the present crisis.

It should not be overlooked that Jim Farley, outstanding Catholic in the Washington Administration, was in Rome interviewing the Pope at the time Roosevelt's appeal to the King of Italy was dispatched. Whatever happens, it is axiomatic that the Pope does not want another general European War which might, conceivably mean the finish of the Catholic Church as at present constituted. One also wonders whether the Pope is very happy over the link-up of the Reich with the Russian Communists.

It has been frequently said that Mussolini's power in Italy has been reduced somewhat of late years by the position of Count Ciano, the Duce's Minister of Foreign Affairs. Count Ciano doubtless is the champion in Italy of the Rome-Berlin Axis policy and by far the best friend whom the German Fuehrer and his Field-Marshal Goering have south of the Alps. Count Ciano's position, however, should not be overestimated. He is indebted for most of what he is today to his position as the Duce's son-in-law. He is not a power in the Facsist Party, and he is no ideal of the "man in the street" in Italy. If he were he long ago might have gone the way of several genuine former competitors of the Duce in popularity and power such as Farinacci, Balbo, and Grandi.

Italy swallowed her Albanian ally, but lately she has not been beating the war-drums as regards other countries to the same extent as Germany. If the economic and financial reports distributed by the Bank of Italy show true conditions and developments in the country, it would appear that contrary to what happened in Germany, preparations for war or defense did not constitute, for last year at least, the main effort of Italian economy. Italian iron and steel production during the first half of this year showed but insignificant increases over the year before, while building activities increased by over 40 per cent and absorbed the bulk of fresh capital created in Italy. The bulk of building activity was devoted to the establishment of new and better housing conditions, as well as to the improvement of Italian rural life, i.e., to peaceful activities.

It appears unlikely that the Polish question will be dealt with in the same way in which the Czechoslovakian question was "solved." Poland has the example of Czechoslovakia's fate before her eyes, and she apparently has firmly decided, if she must undergo the same fate, to go down fighting, and with all colors flying. Czechoslovakia was administered by men who conceived the idea of Czechoslovakian independence only during the Great War; who essentially were positivists and realists, and who chiefly represented groups of people who were mainly concerned with their economic activities and their daily livelihood. The Pilsudskists, rulers of present Poland, are quite different people.

Poland has a thousand years of tradition as an independent country. Partitioned for over 125 years between Prussia, Russia and Austria-Hungary, the Poles never gave up their aim of independence. The Pilsudskis from the outset of their careers, strove for complete independence, and the re-establishment of Poland after the Great War was the great achievement to which they had devoted their lives. They are military men, who have fought many desperate and apparently hopeless battles. The Polish Army occupies in Poland a position altogether different from that enjoyed by the Czechoslovakian Army in former Czechoslovakia. The Polish Army actually runs the country.

The Poles also can be realists. There is no doubt that they are prepared to come to reasonable terms

with Germany on the Danzig and Corridor issues, provided they are definitely assured that that will be the last and final sacrifice demanded of them. Thus far, they do not appear to have felt assured that such would be the case. They have been convinced that after the surrender of Danzig, and eventually, of concessions in the Corridor, Germany would go further and continue addressing demands for additional concessions to Warsaw. Having lived through the period of Poland's partitionings in the eighteenth century, the Poles know perfectly well that a policy of buying off again and again powerful neighbors by means of territorial concessions is likely to end in final and complete disaster. They do not want to repeat the errors of 1772, 1792, and 1794-5.

Behind the diplomatic efforts of the last week in August there seem to have been the following aims:

> Great Britain endeavors to persuade Poland to grant Germany such concessions in Danzig and the Polish Corridor which are likely to satisfy Berlin, while giving Warsaw definite assurances that Great Britain will unreservedly join in fighting for the defense of Poland if later any further concessions should be demanded from Poland by Germany. London, at the same time, tries to persuade Germany to remain satisfied with such concessions and to give assurances to the effect that she will not continue to harass Poland. Italy's intervention this time is not spectacular, but behind the screen the Duce appears to be playing a possibly decisive game of rendering advice and formulating demands on London, Berlin, and Warsaw. It might well be that if it were not for Italian mediation, a general war would have started a week ago.

This time, the game is no longer as one-sided as at the time of the Munich Conference. All of the powers involved are backing up their demands and counter-demands, their objects and refusals with a show of armed force of extremely dangerous proportions. Almost any incident of a more serious sort might become the spark exploding the open powder-barrels which stand exposed everywhere. The partial and total mobilization of numerous European countries is costing Europe billions of dollars. Yet, from this very orgy of spectacular armament may be derived a certain amount of hope that the world will be spared the worst. If Germany had decided upon fighting a war at all costs, and in all circumstances, why should she have permitted her potential adversaries an entire fortnight to mobilize and prepare themselves all along the line? Why should she not have struck a lightning blow and have surprised her adversaries with a sudden invasion about three weeks ago? Is it conceivable that Hitler postponed attack only because his new pact with Russia had not been signed at the time? We rather prefer the conclusion that Germany, by no means, has decided to fight under any and all circumstances.

As a matter of course, none of the powers involved can back down completely. Hitler, all-powerful though he seems in his country, cannot just call off the alarm and leave everything suspended, so to speak. Neither can the Poles completely capitulate, nor can Great Britain and France allow the Poles to capitulate to any and all demands of Germany. Italy cannot desert Germany in the twelfth hour and assume at least a very benevolent neutrality as regards her axis partner. Still, the situation should contain elements making possible some sort of compromise, providing, of course, that none of the countries involved is as yet definitely committed to fight a war and risk its all in a general conflagration.

Mystery Still Surrounds Murder of Capt. Peter Krogh

OF all incidents and atrocities experienced by foreign and Chinese residents of Shanghai since the beginning of the Japanese invasion two years ago, none has aroused more resentment than the murder of Capt. Peter Krogh, member of the staff of the Great Norther Telegraph Company and Commander of Company "A" of the Shanghai Volunteer Corps.

His funeral at Bubbling Well Cemetery on Thursday, August 24 was attended by several thousand foreigners while the route of march was lined by large numbers of Chinese. All units of the Volunteer Corps were represented while the lists of donors of floral tributes filled a column in the local newspapers. He is survived by Mrs. Krogh and their 12-years old son, who were at Peitaho at the time of his death. He was 39 years old.

Captain Holger Peter Krogh, who was of Danish nationality, was shot and killed by gangsters from the "badlands" section of Shanghai on the early morning of Saturday, Aug. 18. He had just entered his car to drive to his office when two Chinese stepped up to the side of his car and inquired whether he was named Krogh. When he answered in the affirmative, both fired, the bullets striking him in the chest. He died while on the way to the hospital.

Since the murderers fled back into the badlands area and disappeared, the Municipal Police have been unable to find them and likewise have been unable to establish a motive for the murder. However, an article published in the local Japanese military organ suggested a motive and also hinted at the real perpetrators of the crime. The story in the Japanese newspaper alleged that Capt. Krogh, as commander of the S. V. C. company, had removed a "Ta-Tao" five-barred flag from the police station on Great Western Road which was closed for a time by the Settlement authorities. This charge, previously made by the Japanese, had been denied by Capt. Krogh.

Although not reported in the local foreign press, it recently has been rumored that his murder was due to his refusal to abide by the Japanese censorship regulations enforced on the local cable office. It was stated that Capt. Krogh as chief solicitor for the Great Northern Cable Company, had taken steps to prevent the Japanese military censor stationed in the Company's office at 34 Avenue Edward VII from inspecting and interfering with messages sent over the Company's lines.

The Japanese military authorities stationed censors in the head offices of the three foreign cable companies immediately following the Japanese occupation of the Shanghai area, despite protests lodged by the Consular officials of Britain, United States and Denmark. It was thought in the foreign commercial community tha the Japanese censors might have been expelled had the cable authorities as well as the foreign commercial community taken determined action, but instead steps were taken to develop independent radio services which were free from Japanese interference. It also was reported that the cable companies themselves had taken steps to circumvent the pernicious action of the censors in delaying messages and disclosing their contents to rival Japanese firms. While no statement on the subject has been made, it has been rumored that Capt. Krogh's murder was motivated by this situation.

Reich Government Reveals State Of German Nation's Health

WHAT has the Nazi Government to show the world with respect to the health of the German nation? *Das Neue Tagebuch*, an anti-Nazi paper published in Paris by German emigres, recently gave publicity to the offici l statistics of the Reich Health Department. Commenting on them, the *New Republic* (New York) declares they are far more revealing than all the pictures of stalwart, blonde boys doing setting-up exercises, and adds that the figures are so gloomy it is a wonder that even the employees of the Health Department were allowed to see them.

The number of diphtheria cases, for example, went up from 77,340 in 1933 to 149,424 in 1938 (Austria excluded). Deaths from the same disease were 4,837 when Hitler came to power and had risen to 8,239 by 1936. And the diphtheria figures are not exceptional. Both the numbers of cases and numbers of deaths from scarlet fever, dysentery, meningitis, infantile paralysis, trichinosis and food-poisoning have shown increases of from 150 to 300 per cent. The most sensational fact the figures disclose is that 75 per cent of the German male population at one time or another has had some form of venereal disease.

The Department of Health explains the figures convincingly. It says the German people are underfed, in the first place. There is insufficient medical care because Jewish doctors have been removed from practice and "Aryan" doctors have been mobilized. The people are overworked, especially in the building trades. Medicine is scarce, there are too few food inspectors, and the schools and youth camps are overcrowded.

"Strength Through Joy", The *New Republic* comments, will have to be revised to "Weakness Through Misery."

What America May Do If War Bre ks on the European Front

THAT President Franklin D. Roosevelt will immediately call a special session of Congress in the event of an outbreak of war in Europe was indicated in reports from Washington early in the present week. A *Havas* report stated that the proclamation,

Trying to Cover Up?

Chicago Tribune

calling Congress in extraordinary session, only awaited the President's signature.

In the event Congress is called into extraordinary session, the chief object would be to revise the neutrality law so as to permit more direct assistance, even maximum assistance, to Britain and France. This was the opinion of the French news service.

It was stated that President Roosevelt, while appealing to Europe's chief leaders, apparently had no intention of sending a peace appeal to Joseph Stalin, a chief actor in the current European drama—or tragedy?

Should war come and should Roosevelt call a special session of Congress, the ensuing debates might well prove epochal not only in American-European relations, but in the domestic political life of the United States, as well. Freda Kirchwey, writing in *The Nation* (July 29) said that the defeat of the Administration's effort to change the Neutrality Act would affect the calculations of every power in Europe and Asia and would modify the course of American business.

The immediate result of the Senate's action was to provide the United States with two foreign policies, one by the executive branch of the Government and another by the Congress—and in sharp conflict with each other. The Congressional policy is based on the assumption that the United States could best protect itself by withdrawing from contact with a wicked world. The other policy, expressed by the President and Secretary of State, is based on the assumption that a general war might easily involve the United States, hence the best hope of peace lies in strengthening the anti-aggression forces in Europe with the promise of arms and other war materials.

In the short and sharp struggle between the President and the conservative coalition in Congress, the real issue of American foreign policy was not decided on its merits, but was decided on the sole basis of partisan politics, the Republican minority combining with disgruntled Democrats to defeat the President.

Behind it all is the desire of political oppositionists to prevent President Roosevelt from becoming a candidate to succeed himself in the national election next year.

According to searching political comment in *Newsweek* (July 31) a substantial group of Democrats decided to "follow their convictions instead of their President . . . . They bottled up the Neutrality Bill because they could not bring themselves to stake Mr. Roosevelt to a seat at the power-politics table abroad." In taking this action, they were inspired by a desire to prevent Roosevelt from becoming a third-term candidate and, if elected, continuing New Deal policies for another four years. The situation points toward a sharpening of both domestic and foreign issues in the next election, resulting, in all probability, in the bitterest campaign in many decades.

The cartoons reproduced herewith from the strongly isolationist and partisan *Chicago Tribune* indicate the extent of the drive to inject domestic politics into issues largely concerned with America's relations with other nations.

Of special interest to millions of Chinese anxiously watching the political horizon for moves favorable to themselves in the international chess game, were reports from Washington indicating that the United States was not so completely absorbed in the European crisis as to blind the leaders of the country to developments in the Far East. Developments in Japan, resulting from the Cabinet reshuffle, were being closely watched, as also were reactions with regard to Roosevelt's abrogation of the Japanese-American commercial treaty. Japan's

Back to the Woodpile

Chicago Tribune

sudden change of attitude from bitter animosity toward Britain and France to an almost right-about-face and sudden desire for rapprochement with those previously-despised powers, aroused deep interest in Washington, as also did the report that the Japanese leaders now desired to improve their relations with the United States. The German *Transocean* service carried a report from Washington quoting the *Times-Herald* of that city as urging the United States to take advantage of the present situation and "blockade Japan and take other adequate measures to overthrow the Japanese military caste—an opportunity that may never present itself again." It was not without significance that the German news agency, previously so friendly toward Nippon, should have been the sole carrier of that report from the Washington paper.

"Don't Shoot, I'm an Isolationist

Australian Worker

Reuters correspondent in Washington said that leading members of the Republican-Democratic isolationist bloc which had defeated President Roosevelt's neutrality legislation in the last session of Congress are now determined to reverse their decision in the event of an outbreak of war. This view was attributed to the New York *Herald-Tribune*, a strong Republican organ. Some of the leaders, who would not permit the use of their names, said they had changed their views because they believed the whole nation desired such action. If war breaks out, many of these men will change their votes for a revocation of the existing neutrality law. A spokesman of the group said that a canvass of public opinion indicated that there would be little trouble in revoking the present Neutrality Act.

The Assistant Secretary of War, Louis Johnson, declared in the course of an address in Boston on Aug. 29 that the present Neutrality Act was discriminatory and would favor Germany, and would penalize other countries by placing an export embargo on arms in the event of European war. This could only encourage Germany to produce the kind of crisis which the world is experiencing today, he declared. The speech was delivered before the annual convention of the Veterans of Foreign Wars.

Tokyo Authorities Jail Chicago Tribune Writer

Kimpei Shiba, Honolulu-born Japanese correspondent for *The Chicago Tribune* in Tokyo, was arrested by the police authorities early in August and is still under detention, according to a report by *Reuters* from Tokyo on Aug. 21. Aside from a brief statement by the Foreign Office spokesman that Shiba had been arrested "on charges which have not yet been disclosed," there has been no further statement. Mr. Shiba's father, who was once editor of the *Japan Times*, organ of the Foreign Office, is now engaged in business in Tokyo. Young Shiba also was employed on the *Times*. He is well-known among foreign newspapermen in the Japanese capital and has been a familiar figure at the daily press conferences at the Foreign Office.

Cables from Tokyo published in *The Tribune* prior to the time of Shiba's arrest included a report about the mobilization of Japanese warships in connection with the squabble with Russia over the Sakhalin oil fields; a report that the Japanese Navy planned to blockade Shanghai and close the Pearl River at Canton; Japan's desire for a new trade treaty with America combined, however, with plans for retaliation; and a story about a threat of the Japanese Army to scrap the 9-Power Treaty.

It was thought, however, that an earlier story sent by mail, describing privations in Japan resulting from the war in China, may have been the real cause of Shiba's arrest. The story, which appeared under his name was to the following effect:

TOKIO.—Japan has begun stripping manhole covers and tearing up iron park fences, postal boxes, and even telephone posts to feed its hungry industries—principally its munitions and shipping industries.

This drastic step was taken by the government in an effort to check the outflow of the country's rapidly dwindling gold holdings.

Twenty thousand iron postal boxes and an unestimated number of manholes and iron telephone poles will be the first to be sacrificed. They are to be replaced by concrete and porcelain products, of which Japan has a plentiful supply. It is expected, however, that at least two years will be required before a sufficient number of substitutes can be manufactured to take the place of the iron products which will be sent to the scrap heap.

Next to go after the postal boxes and telephone posts will be the iron fences in the public parks. Unlike in the United States, Japanese municipal officials are not satisfied merely with putting up signs asking the public to keep off the grass.

They have made it a practice to erect high iron fences around the parks and have strung iron chains around lawns and other sections where trespassing was not desired.

These fences have been an eye-sore and it is not without some satisfaction that the public looks forward to having them removed. There are enough fences and chains in Hibiya Park, Tokyo, it is said, to build an ocean-going steamship.

The government is broadcasting an appeal for contributions of iron and steel ash trays and charcoal braziers with which most Japanese heat their homes. It has promised to replace these with porcelain ware.

As fast as the scrap is smelted it is gobbled up by the industries. One of the hungriest is the shipyards. Japan today has 4,500,000 tons of commercial ships of over 1,000 tons afloat. The navy minister during questioning in the Diet (parliament) said the government intends to double this fleet during the very near future. Last year Japan outstripped England in shipbuilding.

Whether, in view of her serious shortage of iron, Japan can go through with her present program is a matter of much conjecture. Optimistic government officials and industrialists boast that in five years Japan will be getting so much iron out of Manchukuo and China that she will not need to import a ton of scrap from western countries.

Neutral observers claim this is wishful thinking of the same category as the predictions of foes that Japan could not carry on the war in China for six months.

Besides iron, Japan is in need of rubber. It is reported that in the Ford and General Motors assembly plants here cars frequently cannot be put out on the streets because of lack of tires. In some cases buyers in a hurry bring their own tires. Worn out tires are no longer thrown into the junk pile. They are recoated much in the manner that a worn-out shoe is resoled.

The government also has cut down the rubber allotment for the manufacture of sporting goods to a small fraction of the normal demand. The biggest sufferers are tennis players. The output of tennis balls has been restricted to 34,800 a month.

To increase revenues the government will tax profits and will raise the levies on a long list of commodities. Among goods to be taxed anew are sugar, on which the levy will be about 50 cents per 100 pounds; stamps, on which it will be about a cent for those worth more than $1 and 10 cents for those worth more than $3.

The profit dividend rates will be fixed at 10 per cent for dividends between 7 and 10 per cent and a straight 15 per cent for all dividends of more than 10 per cent.

Among the commodities on which taxes will be increased are watches, stationery, hats, shoes, suitcases and trunks, toys, sporting goods, electric and gas appliances, furniture, textiles, cameras, film, fruits, phonograph records, passenger automobiles, and electric fans.

Amusement taxes will be levied upon restaurants, hotels, and all assembly places charging admission. The rate will be 10 per cent of the amusement of drinking and eating expenses. Geisha girls will be charged 20 per cent of their fees. All charges below $1.75, however, will be exempted.

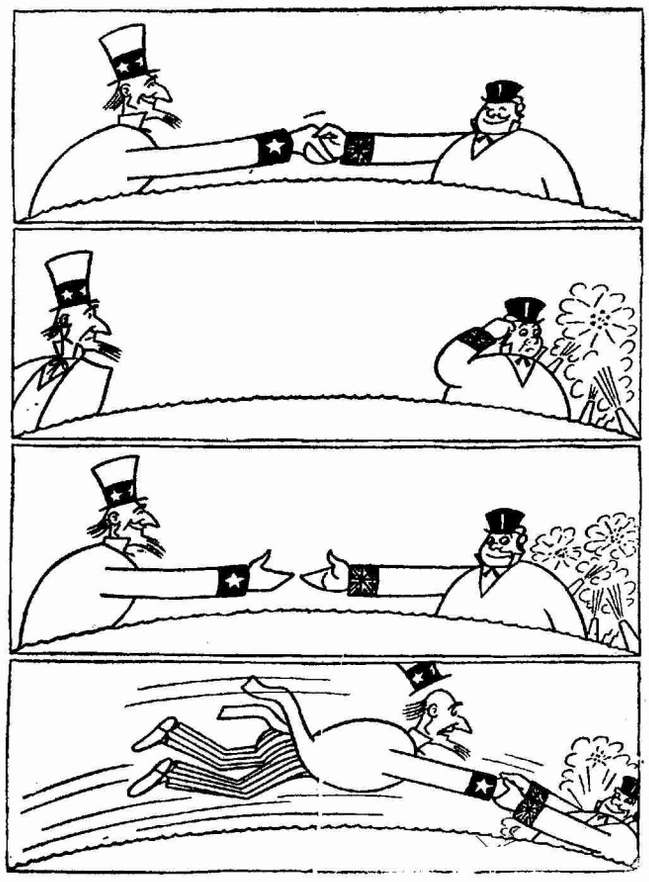
90-013

U.S. Keeps Fleet in Pacific Despite European War Threat

THE fact that the United States Government, despite the rising prospect of a general European war, has kept the full U.S. Fleet in the Pacific, symbolizes the fact that Asia is the major defense concern of the Roosevelt Administration, an *United Press* dispatch from Washington stated on Aug. 25. Administration leaders, the agency said, were attempting to appraise possible Far Eastern repercussions from a general war in Europe, particularly the effect of European hostilities on Japanese-American relations.

Experience in the last World War, it was claimed, led Administration leaders to anticipate that Japan would attempt to capitalize on the preoccupation of the European powers. Consequently, an outbreak of hostilities in Europe might be the occasion for an attempt at additional expansion by Japan—possibly at the expense of American interests—it was believed.

Hands Across the Sea



This cartoon by the famous American artist, Otto Soglow, appeared in his new book, "Soglow's Confidential History of Modern England," (Frederick A. Stokes Company, N. Y.) The cartoon typifies the traditional American isolationist opinion of Anglo-American cooperation in world affairs.

United Press pointed out that non-official Far Eastern experts in Washington had long predicted that Japan eventually would attempt to occupy, or gain privileges in, the East Indies when Britain and the Netherlands become involved in war.

The dispatch then went on to state that in the opinion of government quarters in Washington, signature of the German-Soviet non-aggression pact was the most significant development affecting American interests in the Far East in the last decade. Some even declared it to be more significant for American interests than the Sino-Japanese war itself.

Political circles in Washington, according to a *Transocean* dispatch from that city on Aug. 27, attach considerable importance to the call made on Secretary Cordell Hull the previous day by the Japanese Ambassador, Mr. Kensuke Horinouchi. It was believed that the Japanese envoy submitted concrete proposals for an improvement of relations between Japan and the United States, with particular reference to a new trade treaty. Indicative of Japan's desire to create a good impression in Washington, was a *Domei* report from Tokyo on Aug. 24 which said that the Foreign Office had instructed Mr. Horinouchi to lodge strong representations at Washington regarding reports of alleged mistreatment of American nationals in China. Investigation had shown these reports to be false and based on rumors which had originated with the Chiang Kai-shek regime, the Comintern and other propagandists, the report said. The Japanese Government therefore felt obliged to warn the United States Government and the citizens of America not to be deceived by such propaganda.

A *Havas* dispatch from Washington on Aug. 28 quoted State Department circles as saying that the United States would be in a good position to negotiate with Japan should a moderate cabinet be formed in Tokyo and seek to re-establish a balance among foreign interests in China. There would be no lack of subjects for discussion, they said, for there was the problem of recognition of Manchukuo and the question of a new American-Japanese commercial treaty.

However, present Japanese policies, it was emphasized, are wholly incompatible with American policies in the Far East. But should Japan try to come to an understanding with Washington, the United States Government could also assume the role of "honest broker" between Tokyo and London and Paris, State Department circles were said to believe.

U.S. Assistant Commercial Attache Departs on Leave

A. Bland Calder, U.S. Assistant Commercial Attache, stationed at Peiping, but recently transferred to Shanghai to serve here in the absence of Julean Arnold, departed this week for home on vacation. He will travel by way of Europe where he will meet Mrs. Calder and their son and they will then proceed to the United States.

A. Bland Calder

Mr. Calder is one of the best-known American officials in the Far East. coming here in 1920 after extensive experience in Europe, the Near East and Russia. He was born at Morrison, Iowa on May 23, 1892 and received his education at the College of the City of New York, Harlem Evening School, Cooper Union Night School of Science and Columbia University where he took a course in the School of Journalism. He then engaged in secretarial work, serving such well-known figures as A. S. Vincent, vice-president of the American Society of Mechanical Engineers; Meremiah Smith, Jr., who was sent to Turkey as head of the civilian relief commission by the Rockefeller Foundation; Fred Morris Dearing, Charge d'Affairs and Counsellor of the American Embassy, Petrograd; the chief of the American Legation, Berne, Switzerland; C. V. Rich, vice-president National City Bank; and the general manager of W. R. Grace and Company, Petrograd.

Mr. Calder was appointed assistant to the U.S. Trade Commissioner in Peking in 1921, later becoming Trade Commissioner in that city and also in Tokyo, still later becoming acting commercial attache. On November 1, 1926 he was transferred to the Shanghai office, but in August, 1928 he returned to Peiping as Assistant Commercial Attache. In August, 1930 he was appointed assistant commercial attache here, serving throughout the period of the Sino-Japanese hostilities. Several months ago he went to Chungking and spent several weeks traveling in the provinces under the control of the National Government. Mr. Calder is well known and highly regarded in American commercial circles in the Far East.

Nippon Plane Takes Off On Earth-Girdling Trip

The giant airliner "Nippon" of the *Nichi-Nichi* chain of newspapers took off from the Haneda international airport in Tokyo at 10.27 a.m. on Aug. 27 on the first lap of a projected 60,000-kilometer goodwill flight around the world. Arriving safely at Sapporo in the Hokkaido, the craft took to the air again at 3.30 p.m. the same day, bound for Nome, Alaska and thence across the United States.

An elaborate ceremony took place at Haneda airport before the plane took off, 1,000 Japanese notables in private and official life being present, in addition to more than 10,000 school children who sang the Japanese national anthem and a farewell song especially written for the occasion.

The Tide of Jewish Refugees

4. Psychology of the Newcomers to Shanghai

BY JULIUS RUDOLPH

PROVOCATIONS and friction among the refugees living in the camps of Shanghai are endless. The principle reason must be the nervousness of those who are forced by circumstances to live there. Most of the refugees have found neither jobs nor the possibility of opening their own shops or offices. In order to make some of them self-supporting, the committee in charge of a special fund was able, up until May, 1939, to care for approximately 370 persons. The cost of setting these comparatively few people up in business was $170,000, much of which was donated by Sir Victor Sassoon.

These 370 persons represented only four per cent of the 9,000 refugees who had arrived in Shanghai at that time. Among these 9,000 were 3,500 men who were specialists in their occupations: doctors, dentists, tailors, cooks, musicians, textile workers, etc. The 370, therefore, represented 10 per cent of those who were looking for special work. Most of the others were general merchants, bookkeepers, clerks, with their wives and children.

By June 1,000 more refugees had come to Shanghai, and the number of those who had found jobs or had opened their own businesses totaled 680. There were probably 500 more who did not need to ask the committee for assistance and who were able to start work shortly after they arrived. Some teachers, for example, were able to find a few pupils, some doctors were able to open their own offices, and some others had friends who had found positions for them.

Among these thousands of jobless individuals were many with shiftless or criminal natures, lazy people who preferred to live in idleness. These lazy ones had never been so happy in their lives as they were now with a committee to give them food, beds to sleep on, and a few dollars for cigarettes. These parasites on human society sometimes formed gangs, and their leader was the man who could tell the best story to sympathetic people or who was most adept at begging money.

Another group of men were anxious to "get rich quick." Having heard that Shanghai's reputation was not of the best, they were sure that they would find plenty of opportunities to make a lot of money. These were not the men to waste time looking for a job; they spent time and effort trying to make contacts with the "right" people.

However, the number of idlers and swindlers was small. The overwhelming majority of the newcomers were in earnest search of work. Unfortunately, many of those who had suffered in the terrible concentration camps of Germany were unable to get a new start. Many of them had lost their self-confidence and were suffering from an inferiority complex.

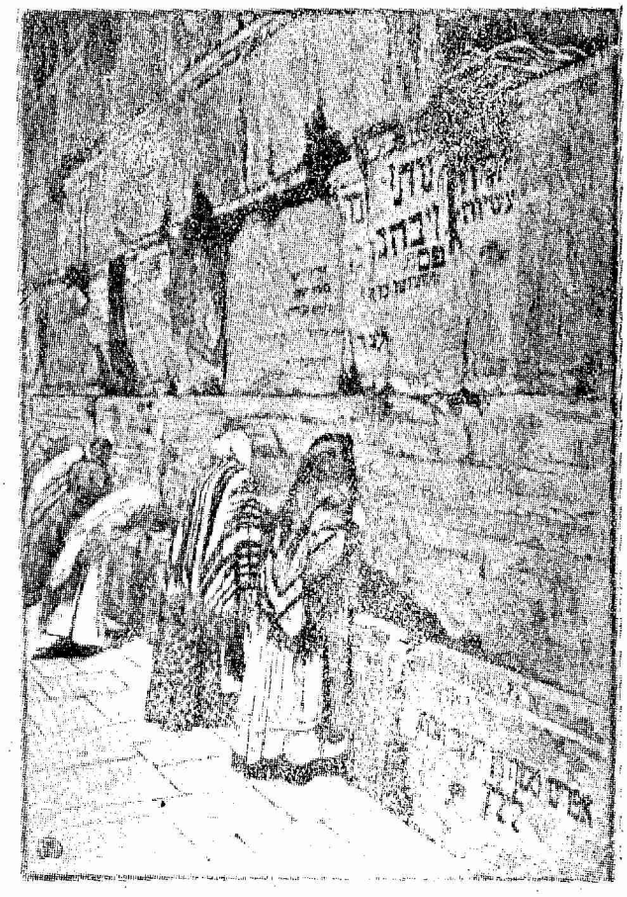
These refugees with the inferiority feeling did not even hope to find a position. All that they could think about was whether another concentration camp was waiting for them in Shanghai. They saw Hongkew and the destroyed parts of Shanghai, they saw the Japanese military, and they were sure that in a short time they would be under the control of a government which was a good friend of the country they had just left.

Other refugees, however, opened shops in the same part of Shanghai where the fearful ones lived in dread. Most of these shops are small and only give employment to the owners' families. They sell all kinds of goods, and up to the present, at least, the Japanese have not bothered them.

Among those who are attempting to solve the difficult problem of the refugees in Shanghai, there are two schools of thought on the question whether Shanghai should become the permanent residence of the newcomers. Some believe that Shanghai should be only a temporary stopping-place for a few months or years. Others think that Shanghai might really become a new home for these refugees, just as it became a home for the Russians who came here two decades ago.

The committee leaders, however, can promise nothing. The future, it is clear, depends not on them but on political developments in China. But the refugees, many of them, are not content to wait patiently to see what the future holds in store. They are continually seeking aid from friends in America or Australia,

The Old Wailing Wall



but private help can accomplish little. The great powers, indeed, could have helped, and later on we will publish some of the proposals which were handed to the League of Nations and other international bodies.

But for the moment, all proposals are theories. The reality is that there are now between 16,000 and 20,000 refugees waiting in China and only a part of them will be self-supporting. An optimistic view of the situation was taken by Sir Victor Sassoon in an interview published in *The China Press* in which the financier explained that "far from being a complete detriment to society, the refugees are sure to do much good. Bakers, butchers and others would undoubtedly raise the level

of the local product once their own, of superior quality, would appear on the local market."

But it is, doubtless, a question of money. Plenty of the newcomers are experts in their own lines and they are convinced that with adequate supervision, Chinese laborers could produce goods of the same quality as those manufactured in Europe. Some of the refugees had large export businesses in Europe, and they hoped to be able to utilize their connections in the world, but in order to start and in order to wait, they need money.

It should not be too difficult to enter into competition in Shanghai. Neither the Chinese nor the Russian firms would be much of an obstacle in the way of those who were experts in Europe, but as pointed out, only a small part of the refugees are specialists. The problem is what to do with all the lawyers, merchants, and clerks. There were, indeed, some lawyers who opened shops, and there have been doctors who have tried to sell chemical products, but the majority have been unable to do anything.

Some of the refugees are prone to give way to self-pity, and moan that their present standard of living is the lowest they have ever had. But the funds of the committee are limited, and some people who could help themselves are explotiing the facilities offered them. They sleep in the camps when they might afford rooms for themselves elsewhere, they accept the food and add their own delicacies while their poorer neighbors are not getting enough to eat.

It is difficult to understand the psychology of people preferring to stay in the refugee camps when they could afford to go elsewhere. Thirty, forty, and fifty persons sleep in the same room. There is no privacy in which to write a letter or read a book. Members of a family are usually separated from each other, the husband sleeping in a room for men and the wife in with the other women. There is no chance for family discussions on the important questions of this new life, on how to educate the children or look for work.

Some of the camps are better than others, but all must in general conform to the same standard. The committee's problem is how to feed and shelter the inmates as cheaply as possible. This low standard must, in time, be dangerous for those obliged to live on it. It can never bring back the self-confidence of those who have lost it, and many of those now living in the camps may be unable to adjust themselves in the future to normal ideas and normal conceptions of life.

It is not astonishing that the refugees started to quarrel among themselves even before they reached Shanghai. Many of them had never taken a longer trip than a few hours' journey to a modest health resort. This time they travelled for weeks to reach a strange world. Officers on board some Italian ships were what is termed "impossible;" fights and brawls seemed to be the order of the day, and other passengers or ship's officers would be forced to intervene.

The journey to Shanghai, even for those travelling first class, was not always pleasant. These first class passengers had no suitable clothing and no money to spend on board ship. Consequently, they were snubbed and looked down upon by the other passengers who complained that these first class refugees should really be travelling in the steerage.

This may be true, but it is not hard to understand. Many of those who left the concentration camps did not even receive the ten Reichsmarks that most emigres are allowed to take from Germany. Even ten Reichsmarks, however, would not go far on a month-long voyage.

Max P., whom we saw in Shanghai, was a poor boy who never in his life had seen the sea. This man was furnished with a first class ticket on the Italian liner *Conte Rosso*, for his family had been unable to buy him a cheaper ticket. From January, 1939, all places on Italian ships except first class were reserved. Smart agents had bought dozens of tickets and sold them at a good profit. Families waiting to leave Germany booked their passages months ahead and at the last moment would be obliged to sell their tickets.

Prisoners of the Gestapo or inmates of concentration camps would accept any ticket they could get, first class or third class, and with only the clothes on their backs and perhaps a few extra shirts, they would board the luxury liners. Sometimes camp officials escorted them to the German border or to the Italian port; sometimes they arrived at the dock still prisoners.

There was no difference between the poorest workman and the ex-judge, just as there had been no difference between them all the time they had spent in prison. Their suits had not seen the ironing board for months, their shoes were worn, their hats were dirty, and the only first class thing they owned was the ticket they had received from their families or the committees.

It is no wonder that when they at last arrived on board the steamer they either went into their cabins and broke down or else were in such a strained condition that they looked for quarrels. Some of them requested second or third class passengers to change tickets with them, but in most cases the steamship companies refused the right to transfer.

The persons who came from the prisons or concentration camps to Shanghai are among the most grateful to the committee and the most happy to do any sort of work. But there are others who find most of their joy in talking about what used to be. These are mostly from formerly rich families. Once, they say, they lived in the nicest apartments or in villas. Many of them are liars and poor ones at that.

Whenever a group of refugees gets together, one hears tales of the grandeur that used to be. When the Russian emigres arrived in Constantinople, Paris or Shanghai, all the girls were, at the very least, daughters of generals or imperial chamberlains. If they knew a few words of French, they swore that they belonged to the first families in Old Russia. Most of the men were officers in the Tsar's bodyguard or sons of imperial governors. Still others had been owners of great department stores, large manufacturers or rich bankers.

In Shanghai, it is almost possible to admire the young Russian waitresses or bar girls who take such pains to prove their noble descent. All this nonsense in any refugee is only a kind of self-defense.

Asking the refugees living in Shanghai's German refugee camps how they liked life there, we heard mostly complaints. The food, they said, is quite well prepared but there is not enough of it. The cost of a day's food had been cut down to 33 Shanghai cents by May, 1939, but the camp leaders made it clear that the committee often did not know how to get even those 33 cents for 10,000 persons daily. When, a few months earlier, 2,000 persons only were sheltered in the camps, there were 4,800 to be fed daily. It is clear that the food had to be rather modest in quantity to feed all those who came for their meals.

The most interesting matter is the life of the children who live in the refugee camps. Although they sometimes seem to be under-nourished, on the whole they make a good impression, and when we saw them in drill in the spacious compound we thought they were healthy and merry. They were exercising there, commanded by a boy of 16 who gave his orders in English, but the style of the exercises was purely German and their knowledge of English was poor.

There are schools for the refugee children, but they are modest affairs. The wealthier parents, there-

fore, send their children to other schools, mostly English or American institutions.

Sometimes people in Shanghai have doubted whether the "German invasion" has brought any benefit to Shanghai itself, and the question is usually answered in the negative.

We beg to disagree. The so-called "German invasion" brought plenty of work and offered lots of opportunities to this city. Those who told us that an army of beggars would certainly be unable to enrich the city made a double error.

In the first place, the refugees did not represent an army of beggars. Some of them arrived in Shanghai with plenty of money, and there were others who, after being here some time, received money from relatives in America and Europe. In April, 1939 a Shanghai journalist estimated the collective fortune of the refugees at approximately $1,000,000 Chinese currency. This estimate may even be too little. The minimum amount the 20,000 persons imported directly or indirectly must reach the figure of $2,500,000, most of which was invested or spent.

The storekeepers bought at least 60 per cent of their goods on the Shanghai market; local tailors, shoemakers and merchants profited by the trade of the newcomers; Chinese waiters found jobs in the restaurants and coffee houses opened by the refugees; even the food offered by the committee in the refugee camps was bought on the Shanghai market.

Fifth Article Next Week

Mankind's Fate Now Hanging in the Balance

THE issue of peace or war in Europe stands poised on a thin knife-edge. Indications are that this week-end will see the issue decided one way or the other. Ten million men are mobilized, arms in hand, ready to answer to the signal of war. The crisis of September, 1938, which led to the Munich agreement, failed to produce days as hectic as those the world is now living through. Yet the will for peace is stronger than ever in the minds of the overwhelming majority of mankind. Whether that will is to prevail is a moot question which will be answered by events.

When Germany and Soviet Russia signed their non-aggression pact in Moscow on the night of August 23, it was inevitable that Chancellor Hitler would proceed to settle the Danzig and Corridor questions with Poland, either by intimidation or force, for it at once became doubtful whether Britain and France, following the failure of their attempts to arrive at a military agreement with Moscow, would be prepared to implement their pledges to Poland.

The German-Soviet pact obligates the contracting parties to refrain from aggression against each other, either individually or jointly with other powers. If either becomes the object of warlike actions by a third power, the other agrees to refrain from assisting such third power. Finally, they have pledged themselves not to adhere to any combination of powers aimed directly or indirectly against either of them.

Thus, at a stroke of the pen, the Anglo-French negotiations with Moscow, which had lasted several months, were brought to naught. When signature of the pact was announced, the all-important question was: Will Britain back up her pledge to Poland, or will she advise Poland submit to German claims. An answer was rapidly forthcoming. Britain rushed through a non-aggression pact with Poland and Prime Minister Chamberlain announced in the House of Commons that Britain would honor her pledge to Poland to the hilt. All Europe then proceeded to mobilize—or, rather, to step up mobilization measures already in hand.

President Roosevelt has sent two appeals to Chancellor Hitler to save the peace of Europe and the world. The first, which was repeated in almost identic terms to President Moscicki of Poland, urged a settlement of German-Polish differences either by direct negotiation, arbitration or conciliation. Neither of the President's messages, so far as is known, brought any reply from Hitler, but President Moscicki answered favorably.

Next, Premier Daladier sent an appeal to Hitler. To this the Fuehrer replied stating that Germany must have Danzig and the Corridor, both German territories, before any negotiations would be entered into. Meanwhile, the Papal Nuncio in Warsaw, acting on orders from the Vatican, has been trying to prevail upon the Polish Government to enter into direct negotiations with Germany. Mussolini has been backing these representations, and Poland is believed to have agreed to negotiate. But Hitler promptly proclaimed that it was too late for negotiations—Danzig and the Corridor must be handed back to the Reich unconditionally. Now the King of the Belgians and Queen Wilhelmina of Holland are endeavoring to play the role of mediators and avert a war catastrophe.

It Isn't the Humidity

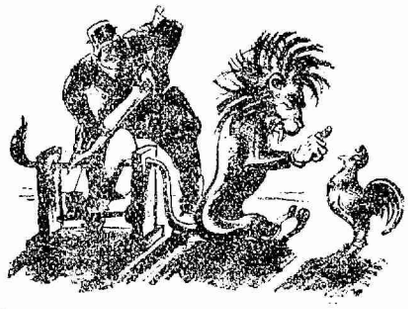
Arizona Republic

Four messages have passed between the British Government and Germany. Their contents have not been revealed. Hitler's reply to the second British note was dispatched to London on Tuesday night. Political quarters in Berlin have been quoted as saying that Hitler's reply leaves the door open to further conversations between Germany and Britain, and an anxious world has seized on this seemingly last ray of hope for peace. Meanwhile, inspired reports from Rome credit Poland with being willing to allow the reincorporation of Danzig —not the Corridor—into the Reich, provided ample guarantees are given that Poland's commercial interests in the port will be maintained.

Thus far the German-Soviet pact has not been ratified, and the belief prevails in London and Paris that Hitler will not do anything to precipitate a war until it is ratified. Ratification is, at this writing, before the Surpeme Soviet in Moscow. Some observers see significance in the fact that it was placed last on an agenda of three items, the other two dealing with Soviet domestic affairs. By delaying ratification, Stalin may be acting deliberately to prevent Hitler from moving, hoping that the international crisis will meantime burn itself out or at any rate soften to a point at which the issues between Germany and Poland can be settled by negotiation.

War preparations have gone so far, however, that it will be a miracle if an explosion is averted. Britain and France are ten times more ready than they were in 1914 and all their satellites are similarly prepared. The situation on Germany's eastern frontier is now scarcely more tense than that on the French-German frontier in the West. Not only have the armies, the fleets and the air forces been placed in position to strike, but corresponding measures have been taken on the home fronts.

Advice a la Munich



Moscow News

Lion (to rooster): "If you'll be quiet he won't kill you."

A bill was rushed through both houses of the British Parliament which at a single stroke abolishes that democracy for which we are told the war is to be fought once it actually breaks out. Of democracy in Britain there remains only the empty parliamentary shell. The press is censored, the rights of citizens have been abolished. So far, the British Government is not exercising all the powers it has taken to itself, but it stands ready to do so. In France the picture is the same. And here, in passing, we may note a rather piquant situation. The Communist Party, one of the most powerful and influential parties in the country, has been virtually outlawed, its newspapers confiscated, its meetings banned. Alone of all parties in the Third Republic it has endorsed and defended the German-Soviet pact. In view of this attitude, Premier Daladier may perhaps be pardoned for believing that the earlier Communist slogan, "France Before All," was so much hypocritical eyewash and that the Communists, in reality, are purely and simply agents of the Kremlin, shouting whatever the Kremlin orders them to shout. In the heyday of the French-Soviet mutual assistance pact, M. Daladier was the bosom friend of the Communists in the late and apparently unlamented Front Populaire. How times have changed!

Britain's war preparedness measures have had world-wide effects. All British shipping has been brought under the control of the Admiralty and here in the Far East shipping schedules are already affected. British ships on the China coast and at Hongkong have received secret orders, the nature of which have not been disclosed, and in the event of war their movements will be coordinated with the requirements of Britain's empire defense. British troops have already been landed in France.

At Singapore and Hongkong, press censorship, and censorship of cables, has been instituted. German nationals at both places have been evacuating, some going to Manila, others to Shanghai. The British garrison in Shanghai is standing by, ready to sail at a moment's notice.

The picture is one of a more or less orderly chaos. Even if war is averted, the preparations made for it will have proved costly in the extreme. The expense of mobilizing millions of men is alone an enormous item. Added to it is the loss caused through the already considerable disruption of world trade. In a world stalked by poverty and distress these wasteful expenditures, that can bring mankind nothing but suffering and horror, are more than folly—*they are a crime.*

Even if the Danzig and Corridor disputes are settled without recourse to war—what then? These disputes are merely symptomatic of a condition of things which will inevitably produce more crises at more frequent intervals unless there is some fundamental change. Any settlement will merely be a respite. But as Anthony Eden put it, the world cannot go on living at the point of a pistol.

New Stocks Relieve Shanghai Rice Problem

With the arrival of fresh stocks of rice, prices of the cereal commenced to drop in Shanghai toward the end of last week, thus tending to relieve a bad situation which threatened to produce widespread food riots. In a communique issued on Aug. 30, the Shanghai Municipal Council stated, among other things, that representations had been made to the Japanese authorities to facilitate the importation of rice from areas under their control. These representations, it was stated, received sympathetic consideration and had already resulted in a marked amelioration of what was becoming a grave situation.

The communique stated that the Council, on the basis of its investigations, was able to deny that the rice shortage had been due to hoarding by private interests in the International Settlement. Daily reports were received of stocks in the Settlement and all supplies in godowns were carefully checked from time to time. In this matter there had been complete cooperation with the authorities of the French Concession.

Col. Itsuo Mabuchi, chief of the Press Section of the headquarters of the Japanese Expeditionary Force to Central China, issued a statement on Aug. 24 to refute "false reports" that Shanghai's rice shortage was due to wilful obstruction by the Japanese military against the transportation of grain from the interior. The shortage, he declared, was created by "crooked" rice dealers who manipulated the market and cornered the cereal in collusion with local Chinese banks under the supervision of the Chungking regime, thereby reaping huge profits.

British Pound Slumps When Prop is Withdrawn

The New York-London cross rate slumped sharply last week-end when the Exchange Equalization Fund, at the instance of the British Government, withdrew its support from the pound sterling, thus taking a step which had been foreshadowed earlier. This was followed by the raising of the Bank of England discount rate from two to four per cent. The British action was motivated, observers believed, by the growing difficulty of maintaining the pound at the rate of around $4.68 due to heavy drainage on Britain's gold reserves. The desire to conserve the gold reserves was in turn heightened by the European war crisis.

France and the United States were both formally notified of the British action on Aug. 25. The foreign exchange market in New York, *United Press* reported, became demoralized as the pound slumped in London to $4.38. Later it improved somewhat and closed in New York at $4.49. In Shanghai, there was fairly heavy selling of pounds sterling against U.S. dollars.

Reuter reported from Paris that Britain had informed the French Government that it judged it unwise at present to sacrifice the smallest part of the nation's vital resources to maintain the sterling-dollar rate at around par. No indication has been given as to the probable new rate at which the pound will be pegged.

90-018

Nippon Writer Says Japan-American War Inevitable

BY Lt.-General KIYOKATSU SATO

Commentator on Military Problems

Editor's Note:—Following is an extract from a book entitled "Nichi-Bei Sen Chikashi" (Japanese-U. S. War Imminent) lately published in Tokyo. The author, well-known as a commentator on military problems, believes that a war between his country and the United States for the domination of East Asia is only a matter of time. He urges, therefore, that Japan should see to it that hostilities are opened before the main strength of the American fleet is brought to Hawaii, since in his opinion a struggle for Hawaii would represent the first phase of such a war.

THE American people have brought disgrace upon us Japanese who, with a history of some three thousand years, have never been subjected to any insult from a foreign country. No nation in the world respects honor to a higher degree than the Japanese. Small wonder, then, that the Japanese cannot possibly bring themselves to regard the Americans as their friends.

Some Japanese are inclined to think that Commodore Perry was a benefactor to Japan on the ground that he opened the country to foreign intercourse towards the end of the Tokugawa shogunate. This is an utter mistake. Perry did not come to these shores to form a friendship with this country. According to the various documents he dispatched to his Government, he visited Japan with intent to occupy it.

"Manifold Indignities"

It was the Americans who manifested considerable displeasure at Japan's advance to East Asia. They have subjected us to manifold indignities: first, they maltreated the Japanese immigrants on the west coast; secondly, they did not allow the children of our settlers to attend American schools; thirdly, they deprived our settlers of the land they had taken the trouble to bring under cultivation; fourthly, they denied Japanese admission into their country; fifthly, they wounded our sense of pride by enacting an immigration law; sixthly, they made Japan retrocede Tsingtao to China, which her forces had captured with a considerable sacrifice; seventhly, they abrogated the Ishii-Lansing agreement in which were specified the special rights and interests Japan had acquired as a result of the Sino-Japanese and the Russo-Japanese Wars; eighthly, they put restrictions upon the capital ships of our navy, which form the country's first line of defense; and ninthly, they saw that the auxiliary ships of our navy were also restricted. We brooked all these insults; we pocketed them all in the interests of world peace and for the purpose of perfecting national defense.

We should like to tell the Americans: "We Japanese love peace, but once we find that our honor has been slighted and that a question of life and death stares us in the face, we do not hesitate to take up arms against our enemy. Your so-called Hay Doctrine which bodies forth the China open door principle implies an unrighteous ambition. Your country has an area some 50 times as large as that of this country, but your population is only 110 millions—a fact which means that your country is very sparsely populated. It will take your country several hundred years to attain the density of population of Japan. Your country has almost unlimited deposits of minerals, such as gold, silver, copper, iron, coal and petroleum. Will it not take you several hundred years to develop all these mineral resources? You possess wealth several hundred times as much as we do, and as a result you are in a position to live in plenty and luxury. And yet, you have a craving for the natural resources of China and an ambition to monopolize China's commerce and industry. It is unrighteous of you not to recognize the rights and interests our nation acquired as a result of the wars with China and Russia in which we lost the lives of 100,000 men. With a population of some 60 millions in an area about one-fiftieth of your country, our country has an annual population increase of something like a million. Moreover, the fertility of our land is no longer equal to supporting the rapidly-increasing population. Every year we have to import from five to six million koku (one koku equals about 4.96 bushels) of rice from foreign countries. This made us fight China and Russia. What we did in the past we did for our national existence. And yet, you are going to interfere with our life-and-death question. This is hardly fair."

When and where a Japanese-American war will be fought we cannot say. If the United States of America carries out her traditional China policy to a full extent, then she is bound to clash with Japan sooner or later on the China question which is vital to the existence of this country. We shall have to settle the question by force of arms, if diplomatic negotiations fail.

Searching for Security

Herblock in Amerasia

This brings us to a consideration of a possible war with America. No matter from what motive hostilities may come to be opened, or whether we assume the offensive or the defensive, there can be no doubt that Hawaii will be the most important strategic point in a war between America and Japan. Success or failure in the struggle for this strategic point will prove a decisive factor in the war. With the Hawaiian Islands as her base operations, America could bomb Tokyo or Osaka without much difficulty, provided she uses airplanes and airships of superior quality. While Hawaii is in American possession, Japan would have to remain on the defensive. But if, on the contrary, Japan occupies the islands, her fleet would find itself in a position not only to assume the offensive, but also to bomb the cities on the west coast of America. In a war with America, therefore, we must at all costs, even with a sacrifice of a few vessels, take possession of Hawaii. The distance between Hawaii and the American continent is a little smaller than that between the islands and Japan. This would mean that at the outbreak of hostilities the American fleet or fleets of warships would be able to get to the islands before the Japanese, in so far as both fleets have the same speed. For this reason our navy must needs possess ships far speedier than American.

Japan Must Start Fight

If the main squadron of America were in the Hawaiian waters at the outbreak of war, then a clash between the American and Japanese main fleets would have to take place somewhere between the islands and Yokohama. Should our navy emerge victorious from this battle, it would be able to occupy Hawaii, and its

China Red Cross Spends $400,000

In the first six months of 1939, the International Red Cross Committee for Central China spent $339,926.90 for hospital subsidies, medical treatments, refugee relief, special grants to hospitals and miscellaneous grants to orphanages and other relief organizations. The figure does not include hospital subsidies given by the Hankow office of the committee, nor the drugs donated to the various hospitals. More than 60 per cent of the amount was used for refugee relief purposes.

When the committee has inaugurated in September, 1937 in Hankow, with Madame Chiang Kai-shek as patron, it was entirely supported by individual contributions from abroad. Since the formation of the British Relief Fund for Distress in China and the American Church Fund for China, it has been mainly relying on these two foreign organizations for its upkeep. In addition to cash donations, the committee also receives donations in drugs from foreign countries.

The committee is subsidizing 80 civilian hospitals in 12 provinces with approximately 4,000 beds for the wounded, sick refugees and air-raid victims. For each in-patient, the committee gives 50 cents a day, and for each out-patient, 10 cents a treatment. An average of 1,000 cases are being treated at its O.P.D. clinics daily. Special cash donations in drugs are also made to various hospitals. All drugs and other stores, such as refugee clothing, are delivered direct to the hospitals, free of transportation charges and customs duties.

In collaboration with the National Relief Commission, the committee is looking after various refugee camps, particularly those in the "occupied" areas where the National Government would have difficulties in administering direct aid. With the League of Nations Epidemic Commission, it is seeking to prevent and suppress epidemics. In addition, it is interested in the program of the iodization of salt for Yunnan and Kweichow, where the staple generally lacks iodine.—*China Information Committee.*

Refugees

China Defense League poster

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subsequent operations would be facilitated. The opposite result of this battle would compel the Japanese navy to remain on the defensive and would render its operations extremely difficult. The great thing is, therefore, for Japan to see that hostilities are opened before the main strength of the American fleet is brought to Hawaii and that her naval operations take place with lightning speed.

To Destroy Panama

The struggle for Hawaii thus constitutes the first stage of a Japanese-American war. On the assumption that Hawaii was captured by our navy, the Japanese forces would undertake, as the next step, the task of destroying the Panama canal and the main squadron of America. If the Japanese navy succeeded in crushing the American fleet in the Pacific, landing on the Pacific coast of America would become easy. At the same time the Panama canal must be destroyed, as the maintenance of traffic through it would facilitate replenishment of the American navy. Attacks should be made on the canal by an effective air fleet. The destruction of the canal and the American fleet would literally be half the battle. Thus would end the second period of the war.

The third period would begin with a landing of Japanese forces on the western coast of the American continent and the work of destroying the cities and naval ports on the west coast. The next course would be to form the main line of defense along the Rocky mountains, so that our military troops might be massed in the occupied areas along the coast. Preparations made west of the Rockies, our army would now take the offensive and advance towards the east coast. This would usher in the fourth and the last period of the war. Each period would probably last several years; the third and fourth periods would last the longest. Thus the war would last at least four or five fears; it might even drag out to last several score years.

If and when Japan, forestalled by America, finds it impossible to occupy Hawaii, her navy would see the wisdom of deferring a decisive battle with the American ships till full preparations are completed. Meanwhile, our coast might be subjected to bombardment and the main cities to attacks from the air. Our army would have to defend the coast facing the Pacific and stave off the enemy's landing, while our flotillas of destroyers and submarines would watch for an opportunity of attacking the enemy's capital ships. When thoroughly ready, our main squadron would go forth and battle decisively with the enemy's. A victory for the Japanese navy would naturally be followed by the capture of Hawaii and other operations, as described before.

Long-Drawn Out War

Whether Japan acts on the offensive or on the defensive, a war with America would certainly be a protracted one involving much sacrifice and demanding the united efforts and indomitable perseverance of the nation as a whole.

During the Meiji era Japan fought China on the Korean question and Russia on the Manchurian question. And now it looks as though she were going to fight America on the China question. Such seems to be the fate to which this country is predestinated.

Expansion Said Vital

The China question is, as already said, a question of life and death to us. Japan can no longer remain "cabined, cribbed and confined," as of yore, within her island empire. She needs expansion to the Asiatic continent, which is her "life line." For Japan to keep away from this continent spells ruin to he Japanese race. It is but natural that she should endeavor to cope with the China question even at the risk of war. Japan would choose death before dishonor; would stand up and fight for what she thinks is right rather than sit back and starve.

It is a luxury for America to exercise capitalistic imperialism in China and to attempt to bring that vast territory under her economic domination. America still has vast areas in her own territory that have to be brought under cultivation. She has considerable quantities of natural resources still to be developed. She has Canada to her north and Mexico, Brazil and Argentina to her south, where she can find markets for her goods. Why should America, then, attempt to practise imperialism on a continent some 5,000 miles distant, across the Pacific, from her own?

90-020

China After Two Years of War

BY GERALD L. G. SAMSON *(London Spectator)*

FRIDAY marked the second anniversary of the socalled "Lukouchiao Incident" which precipitated the Japanese invasion of China Proper.

During these twenty-four months the Chinese have suffered at least a million and a half casualties. Practically all the cities generally known to the outside world as centers of commerce and industry, education and culture, have been either devastated or occupied by the invading forces. Between thirty and sixty million civilians have been rendered homeless. Since the outbreak of hostilities more than 100,000 civilians have been slaughtered in something like 4,000 air-raids, and several times that number have been wounded.

How has China stood up to such a gruelling test? In similar circumstances another nation would probably have sued for peace long ago. The remarkable stoicism which has made such endurance possible has to be witnessed to be fully appreciated. But what is even more remarkable is that the Chinese, in their fight for self-preservation and national independence, have not only put up a defence against overwhelming odds, but at the same time they have found courage and strength to push forward with the greatest program of economic reconstruction and development in their country's history—a stupendous achievement.

It seems only yesterday—actually it was about three years ago—that the armies of the Chinese southern provinces of Kwangtung and Kwangsi revolted against the National Government and marched on Nanking. China was on the verge of another costly civil war. In interviews with the foreign press the leaders of the revolt, Generals Chen Chi-tang, Li Tsung-jen and Pai Chung-hsi were vehement in their condemnation of Generalissimo Chiang Kai-shek and of everything emanating from the Central Government. "Chiang must go!" they declared in July, 1936.

By July, 1937, however, the provinces of Kwangtung and Kwangsi had become a highly significant part of a united Chinese nation under the supreme leadership of General Chiang, resolved to carry on a long-term resistance until not a single Japanese soldier should be left on Chinese soil. Not only so, but the disaffected generals were now among Chiang's most loyal and trusted advisers.

Solidarity Maintained

This newly-founded solidarity has proved equal to the almost fantastic strain which has been put upon it. The highest praise must certainly be given to the civil population. After the first natural scare of the Japanese air-raids the civilians accepted them philosophically, and the inhabitants of threatened areas arranged their lives accordingly. The towns and villages were evacuated at dawn and not reoccupied until dusk. The post offices have been moved permanently into the country, hours of banking changed to between four and eight p.m., and the shops trade at night.

The morale of the soldier at the front has been hardly less magnificent. He is seldom known to complain about anything, not even when suffering from a bad attack of malaria in addition to his wounds which may not have been dressed for days or perhaps weeks. Incidentally seventy per cent of the wounded are victims of malaria. He has learnt a host of valuable lessons since the war began, and both in experience, training and numbers he offers a more formidable obstacle to Japanese imperialism today than ever before.

The High Command has also profited by past mistakes. It has learnt that frontal attacks are not only costly, but seldom effective against an enemy with preponderantly strong armaments. A large part of the Generalissimo's forces have, therefore, been reorganised and trained in highly mobile guerrilla tactics, which are now being employed on a national scale. This type of warfare is well calculated to make it obligatory for the Japanese army to station large and expensive garrisons in "occupied China," and may generally wear it down long before the Chinese forces are ready to give up the struggle. Guerrilla warfare is also much better suited to China's national economy, and cuts down her military requirements to small arms and ammunition, which are manufactured to a large extent in arsenals in the interior, as well as imported.

On the economic front conditions are even more encouraging. Essential foodstuffs are still plentiful and cheap. (What a contrast to the soaring prices we experienced in England at the outbreak of the Great War!) During the last two years the crops have been exceedingly good—not only sufficient to meet the country's needs, but sufficient to lay by a store for the future. As regards clothing, China is equally self-supporting.

Not a Mortal Blow

China's industrial losses in Shanghai and other war zones are said to total more than $500,000,000 (national currency). But even this heavy bill of destruction failed to strike a mortal blow to the nation's industries. On the contrary, it apparently stimulated the Government and private capital to lay down new and more permanent industrial bases far away in the interior, where they are protected by high mountain ranges. Factory workers and common laborers (coolies) were no less patriotic. Millions of them set out from the sea coast and the Yangtzse provinces, and walked a thousand miles westward in order to assist in the now vital exploitation of the undeveloped provinces in the north and southwest. Moreover, for sheer heroism, sacrifice, endurance and recuperative ingenuity, this mass migration can only be compared to the westward march of the American frontier days.

Some three hundred factories have been bodily moved, machinery and all, to safety in the west. Railway lines have been torn up, and thousands of tons of scrap iron collected (including drain covers), and transported to the new manufacturing and mining centers, which have been equipped to a large extent in this fashion. *Bona-fide* observers travelling in Free China can inspect new iron and steel works, mechanical and electrical engineering

Bridge Over Mekong River

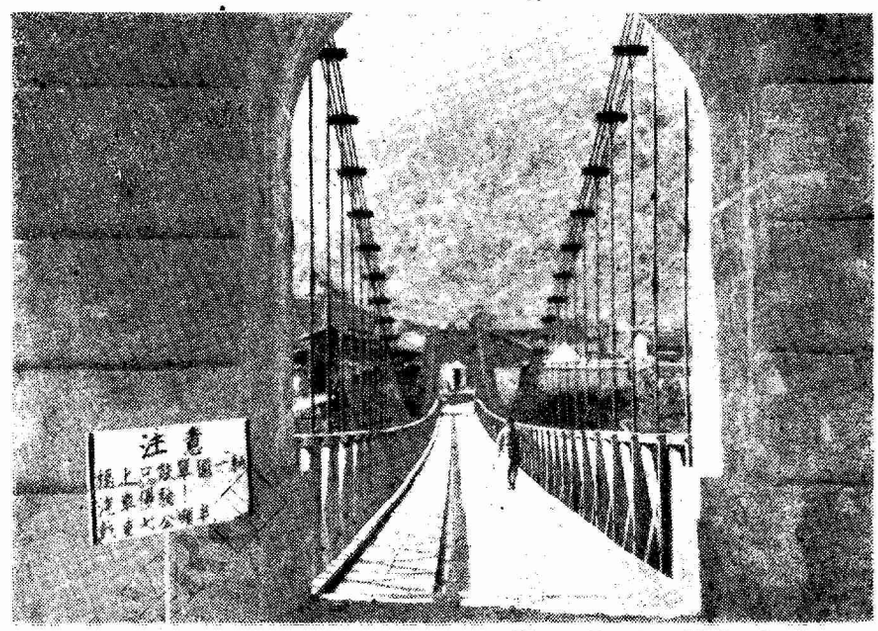


Photo By Gerald L. G. Samson

This steel-cable suspension bridge spans the Mekong, first of the big rivers over which the Burma-Yunnan highway passes. It can take a strain of between 7½ and 10 tons.

works, machine shops, chemical industries, copper refineries, cotton and glass factories, alcohol distilleries and flour mills, all of which will be seen in an active state of production. The number and range of articles the Chinese are manufacturing is perfectly amazing.

Industrial Cooperatives

Special mention must also be made of the phenomenal strides made by China's industrial cooperative groups, which are little more than a year old. Over 750 cooperatives are already in existence, and this number is to be increased to 10,000 by the end of 1940. They are engaged not only in supplying such necessities as cotton cloth, soap and matches; but they also make synthetic petrol, a substitute for vaseline, light machine-guns, trench-mortar shells and hand-grenades.

The pressing problem of transportation is being tackled with a will. In addition to the railroad, which is scheduled to connect in September the Indo-China port of Haiphong with Nanning (in Kwangsi province), work has already begun on lines which eventually will connect Chungking, the war-time capital, with other provincial capitals, and with the French-owned Yunnan railway running to Haiphong and with the Burma railway to Rangoon.

The building of new highways is also proceeding apace; some fifteen hundred miles being under construction in the hinterland northward and westward of the battle front. The newly opened China-Burma highway is a briliant achievement, considering that despite the difficult topography, it was completed in nine months.

Another all-important factor contributing to the steady rise of a new and potentially powerful China has been the outstandingly fine response of China's youth. Thousands of boys and girls have marched all the way from their northern colleges and universities to join the Eighth Route and other guerrilla armies, thousands more are engaged in spreading political propaganda behind the enemy's lines, and have enlisted and trained as regular army officers. Thousands of the girls have joined Madame Chiang Kai-shek's Women's Auxiliary Corps or swelled the ranks of the China Red Cross. Others have obeyed the call of the Government to continue their specialised studies so that they will be available as technical experts to assist in the immense program of industrial, economic and hygienic development to which the country is pledged. Ten of China's leading scholastic institutions, with a combined roll of 7,000 students, have managed to resurrect themselves in Kunming, the majority of the students having walked all the way from Peiping, Tientsin, Canton and other cities. Several of the medical colleges have also found fresh homes in Chengtu (provincial capital of Szechwan) and Kweiyang (capital of Kweichow). It is, in fact, nothing short of an inspiring revelation to come into contact with some of these student bodies.

Building the Burma-Yunnan Railway

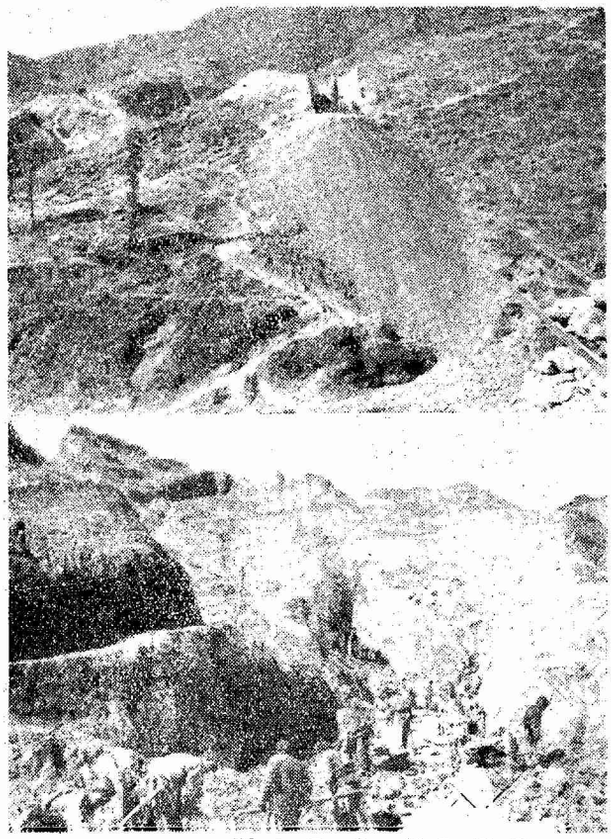


Photo By Gerald L. G. Samson

These pictures show the type of country through which the Yunnan-Burma Railway, now being rushed to completion, has to pass. Above is seen a surface cutting, while below workers are making the entrance to the first tunnel, some ten miles from Kunming.

In Occupied China

What is the situation in nominally "occupied territory?" A first glance at the Sino-Japanese war map is very apt to give the impression that Japan has already conquered vast portions of China. In reality the armed forces of Nippon control merely the principal cities in these areas and some five miles either side of the railway track connecting them. Moreover, throughout "occupied China" there remain large and small guerrilla armies which are engaged in harassing the Japanese army's long lines of communication, obstructing Japanese economic projects and preventing as far as possible any form of Sino cooperation with the enemy. This partly accounts for the Japanese failure to substitute their Federal Bank notes for the Chinese national dollar; the mere possession of Japanese "bogus" currency being punished by death by any guerrilla unit.

A campaign of mass political education, conducted by these armies, forms an important adjunct to their purely military operations. Millions of persons in occupied territory are receiving political education and learning the rudiments of guerrilla warfare. To clear these areas alone of Chinese troops and partisans, and to establish a more or less stable pro-Japanese administration, would require years of Nipponese punitive expeditions and immense sums of money.

On the other hand, it is true that "puppet" Chinese administrations have been formed in many cities; but their members go in daily fear of assassination, and scarcely a month goes by without at least one of them falling victim to a patriotic bullet or bomb.

As to the future, one can only say at this time that the war has seemingly resolved itself into an economic endurance contest in which the odds are clearly on China. Meanwhile, there is no denying that China has developed an unexpectedly vigorous spirit of tenacity and determination to win, as well as be worthy of, her national independence.

S. M. Council to Chart Dollar Buying Power

A plea for public-spirited cooperation with the Shanghai Municipal Council in its efforts to chart the buying power of the Shanghai dollar, was sent out over five local radio stations on Aug. 25 to hundreds of foreign housewives.

The information will be sought from members of the non-Asiatic foreign community whose monthly income is below $1,000 a month. Although a Chinese cost of living index has already been computed by the S.M.C. the purchasing power of the foreign housewife's dollar is not accurately known. The result is that foreign employees have been unable to get proper adjustments in salaries in keeping with the fluctuation of exchange, while Chinese, conversely, have received adjustments from month to month.

In asking for cooperation, Miss Eleanor Hinder of the Council's Home Economics staff, said that record booklets for one year must be kept by those interested and at the end of that time the most accurate and complete books would receive $100 rewards. The rewards have been offered by a large firm here. Other firms have announced their intention to donate prize money.

Miss Hinder asked that everyone listening send her a card enclosing name and address whereupon they would receive free of charge full directions of how to keep the living cost record with an application form and booklet. All information of a private nature received by the Council will be treated as strictly confidential.

Tientsin Flood Assumes Scope of Major Disaster; 1,000 Are Drowned

AMERICANS TO THE RESCUE

Responding to desperate appeals, the American Church Committee and the American Red Cross in Shanghai this week appropriated $100,000 and $75,000, respectively, for the relief of flood refugees in North China.

REPORTS reaching Shanghai this week reveal that the flooding of Tientsin has taken on the scope of a major disaster. Wang Keh-min, head of the puppet "Provisional Government" in Peking, told foreign press correspondents that at least 1,000 Chinese, including women and children, had been drowned at Tientsin, while between 500,000 and 600,000 persons in the city and its environs had lost all their possessions. On a trip of inspection to Tientsin, he said, he had conferred with local officials regarding relief measures, but did not indicate what steps were being taken.

Mr. Wang expressed the view that political differences should be forgotten while the various authorities in the flooded city dealt with the refugee problem. Asked if he thought the Japanese blockade of the Concessions should cease, he replied that it was too early to talk about that.

Yen 400,000,000 Losses

Japanese sources, according to a *Reuter* report, estimate that material losses at Tientsin due to flood amount to at least Yen 400,000,000 and this estimate is considered conservative. The total population affected by the flood is placed at well over the 2,000,000 mark.

Floods washed out a railway bridge between Tientsin and Tangku last Sunday. Trains bound for Manchukuo were obliged to return to Tientsin. The break marooned many foreigners who had been spending their summer vacations at Peitaiho. *United Press* reported Aug. 27 that a mass evacuation of foreigners from Tientsin was being pushed energetically, but difficulties were being encountered due to disorganization of transportation facilities. Evacuees were going to nearby seaside resorts.

Cholera has broken out and it is feared that it may reach epidemic proportions. All streets are flooded to a depth of several feet and the stagnant water, in which human corpses, garbage and sewage are floating about, is emitting a terrific stench. The authorities were collecting the corpses of human beings and animals alike and throwing them into the Hai Ho, which is flowing past Tientsin to the sea like a mill-race. Hundreds of foreigners have been crippled by a severe type of foot infection contracted from the water. Dysentery has become epidemic. The authorities have sent urgent appeals abroad for contributions of medicine and money.

Food Scarce, Expensive

Foreigners as well as Chinese are travelling around the city on rafts and crude sampans, which carpenters are turning out by the hundreds at tremendous profit. Prices of foodstuffs, which are exceedingly scarce, have soared to an all-time record. Fresh meat is unobtainable and Argentine corned beef is the mainstay of meals in foreign homes. Vegetables are obtainable, but only at terrific prices. All industry is at a standstill. The American Embassy advised all its nationals to leave the city, and at the beginning of this week only six American women and fewer than 200 American men still remained, *United Press* reported.

A *Domei* message from Nanking on Aug. 27 said that the "Reformed Government" had sent Yen 200,000 to the "Provisional Government" at Peking for relief of flood sufferers in Hopei province. The local *Tairiku Shimpo* reported that the Asia Development Board in Tokyo had decided to donate Yen 150,000 for flood relief in Mongolia and North China. Of this sum, Yen 100,000 was to be sent to the "Provisional Government" in Peking and Yen 50,000 to the Mongolian Federated Autonomous Commission.

Domei reported on Aug. 27 that the British and French consular authorities in Tientsin had appealed to the Japanese consul-general for modification of restrictions on traffic and suspension of examinations of British and French nationals entering or leaving their respective blockaded concessions for the duration of the flood emergency. The French consul also asked for permission to use vacant Japanese warehouses in the French Concession for accomodating refugees. The Japanese authorities promised to consider the requests.

Chengchow Now Flooded

Chengchow, the junction of the Peiping-Hankow and Lunghai Railways in central Honan, has been inundated owing to the breaching of the Yellow River dyke, according to a *Kuo Min* report from Sian on Aug. 26. Lieut.-Gen. Sun Tung-hsuan, commander of the 12th Army, was cooperating with the Yellow River Conservancy Commission, by placing his troops at its disposal, in endeavors to repair the breached dyke, the report said.

At a meeting in Chungking on Aug. 24 the Standing Committee of the C.E.C. of the Kuomintang decided to appropriate $100,000 for the relief of flood victims in Hopei province, *Kuo Min* reported.

Kinloch Shooting Furore Dies Down

Repercussions of the German-Soviet rapprochement and the subsequent fall of the Hiranuma government in Japan were seen in Shanghai this week in the marked lessening of the agitation of the local Japanese authorities and the local Japanese press which arose from the killing of two Ta Tao policemen on Jessfield Road on Aug. 19. Preoccupied with matters of high politics, the Japanese have all but allowed the local issue to die.

While last week the incident was expected to lead to major developments, and a Japanese seizure of the International Settlement was being spoken of as a distinct possibility, the only development connected with the incident this week was a series of insignificent demonstrations by the *Ta Min Hui* (Great People's Society), a puppet political organization sponsored by the Japanese, last Sunday afternoon. The demonstrators passed a resolution urging the transfer to the puppet municipality of police patrolling rights on extra-Settlement roads.

Meetings were held, according to the *Domei* report, in western Shanghai, the eastern district, at the Civic Center in Kiangwan, at Pootung and in Chapei. The demonstrators carried large banners with drawings of Probationary Sergeant W. L. Kinloch (the S.M.P. officer who shot the two Ta Tao policemen), and branding him as a "criminal leader." Other banners bore the slogan, "Down With the S.M.C.!"

A Navy Office spokesman in Tokyo commented on the Jessfield Road shooting on Aug. 24, *Domei* reported, declaring that information showed that the Ta Tao policemen did not fire a single shot to provoke the affray and that the Briton (Sergeant Kinloch) was entirely responsible for the regrettable affair. Police administration of extra-Settlement roads in Shanghai should be turned over to the Special (Puppet) Municipality by the S.M.C. to prevent a recurrence of such an incident as that of Aug. 19, the spokesman said.

Japanese Cotton Mills Here Give Wage Raises

To help their Chinese employes meet the increases in prices of rice and other commodities Japanese cotton firms in Shanghai have raised wages 15 sen a day, according to the *Tairiku Shimpo*. Firms which have increased wages include the Kung Dah Cotton Mills, Shanghai Cotton Manufacturing Company, Dah Kong Cotton Mills, Toyoda Cotton Spinning and Weaving Company, Yu Fong Mills, Nagai Wata Kaisha, Dong Shing Spinning and Weaving Company, Tokwa Boseki Kaisha, and the Japan-China Spinning and Weaving Company. The Dah Kong Cotton Mills also have distributed free a month's supply of rice to all their employes, the paper said.

Chinese Reactions to the German-Soviet Pact

THE Far Eastern situation has been further complicated by the present power politics in Europe as featured by the Soviet-German rapprochement and the threat of an imminent European war. Naturally, conclusion of the Soviet-German Non-Aggression Pact must be most upsetting to Japan's plans in Asia and necessitates a thorough overhaul of her European and Far Eastern policies. Significent repercussions have already been felt in Japan as evidenced by the collapse of the Hiranuma Cabinet.

In China, the European events are also engaging the serious attention of the government leaders, who are carefully studying all their possible effects on Asia in order to be in a position to take all necessary steps.

It is felt in Chungking that in the event of a European war, if Britain and France are involved, as they are most likely to be, the present material and financial assistance from these quarters will be suspended. The Chinese leaders are therefore studying the situation in its all aspects with a view to solving a possible impasse.

Whatever may happen in Europe, it is asserted in government circles that plans to continue resistance against Japan will be prosecuted as vigorously as ever and at the same time increased cooperation with the Powers, especially the United States and Soviet Russia, will be sought.

Optimism prevails in Chungking concerning the national currency, which begins to show signs of recovery from its recent decline. Further encouragement is given by the prospects of a good harvest, especially in Szechuan, Hunan, Honan and Kiangsi provinces.

Interviewed by the press in Chungking regarding the present international situation, Generalissimo Chiang Kai-shek said that it was hard to fortell what developments would follow the recent conclusion of the German-Soviet Pact, but it could be safely concluded that future events would be turning in favor of humanity as a whole.

China's resistance, he emphasized, had convinced the whole world of the significance of peace. Events of the past two years indicated the presence of a general tendency in opposing aggression. This was apparently due to the heroic struggle China is now carrying on against the invader, he asserted.

Expressing China's determination to continue her resistance, the Generalissimo said that the situation in the Far East and the world at large would have been entirely different, had China failed to put up the fight two years ago.

Asked whether the impending war in Europe would be averted, Generalissimo Chiang expressed the hope that no war would break out; for only aggressors expected war. He added that he was favorably impressed by the peace pleas of President Roosevelt and other statesmen and hoped their efforts would be crowned with success.

The Soviet-German understanding has evoked interesting comment from the Chinese press. After having made a detailed analysis of the provisions of the Soviet-German Pact, the *Shun Pao* expressed the view that the decument marked the failure of British and French diplomacy and spelled the end of the Anti-Comintern Pact.

Referring to the reports that Germany had informed the Japanese and Spanish authorities that the new Soviet-German Pact in not incompatible with the Anti-Comintern Pact, the paper said that these were merely "efforts at consolation" and must be taken for what they were worth.

The *Shun Pao* asserted that according to Soviet Russia's traditional policy, if Germany abandons her Eastern expansion policy and her anti-Communist attitude, Soviet Russia will not participate in any European war involving Britain, France, Germany and Italy. This policy can not be influenced by any sympathy the Soviets may have for the western democracies, the paper believed.

The conclusion of the German-Soviet pact has precipitated a fundamental change both in the European and the Far Eastern situation, the *Chung Mei Jih Pao* observed. Commenting on the possible effects on the Far Eastern situation, the journal stated that the Soviet-German accord is tantamount to the abrogation of the Anti-Comintern Pact, the collapse of the anti-Comintern axis and to all efforts at concluding Italo-German Japanese military alliance. Soviet Russia, relieved of all anxiety on her western frontier, is now free to take whatever steps she may deem necessary in coping with the Far Eastern situation, the paper concluded.

The *Hwa Pao* expressed the opinion that the new situation brought about by the dramatic German-Soviet understanding is decidedly favorable to China's war of resistance against Japan. In support of its statement, the journal advanced the following reasons: first, Japan has become more isolated than ever before, and, secondly, Soviet Russia is now in a position to exercise greater pressure on Japan. In other words, the *Hwa Pao* stated, China's adversary has been further weakened by the German - Soviet rapprochement. Finally, the paper said that if China continues her resistance against Japan indefinitely, as she undoubtedly will, other favorable changes in the international situation may follow.

"China has a fixed policy, having only one enemy and no alliances," declared the *Central Daily News* at Chungking in an article under the heading: "A Compass in the

Japan Tightens Her Belt in Order to Carry on the War

This illustration from the Tokyo *Asahi* shows sign boards being carried through the streets by sandwich-men urging economy and requesting contributions from the public to enable Japan to continue the war in China.

International Fog." The article made this point after stressing the absence of principles in international relations, "such as the Soviet German non-aggression pact and Japan's so-called independent action."

Interviewed on the German-Soviet pact, Dr. T. T. Li, China's new minister to Cuba, told the press in New York that it was too early to appraise its results, but on the surface it appeared a bad blow for Japan. Dr. Li said he believed that Japan would suffer because the pact would probably mean that Japan could not expect Germar help in battles along the Manchukuo-Mongolian border. Japan would thus be isolated diplomatically, he added. Asked about the China war situation, Dr. Li said he felt the war would last a long time but an arms embargo against Japan would hasten its end.

One of the interesting reactions in Chungking on the signing of the Soviet-German pact was that it would pave the way for a new Sino-German air route from Chungking to Berlin via the Soviet Union. Ill-feeling between Germany and Russia in the past, it was pointed out, had been responsible for the failure of the efforts of the Eurasia Aviation Corporation to inaugurate a direct air line between China and Germany via Russia.

Sino-Soviet Relations

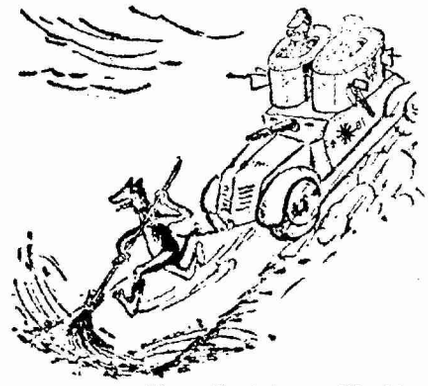
Further consolidation of Sino-Soviet relations seems to be one of the principal objectives of Chinese diplomacy at present. Sun Fo, president of the Legislative Yuan, who has been in Moscow since the beginning of the year as the special envoy of the National Government, in a recent radio speech to the Soviet peoples, stressed the necessity of closer cooperation between China and the Soviet Union in view of their historical relations and geographical propinquity.

Both Soviet Russia and China are peace-loving nations, animated by a strong desire to maintain world peace, Dr. Sun said. Since the aims of the two countries are identical, he further stated, they should join forces to fight against the serious menace to world peace—Japan. Dr. Sun thanked the Soviet peoples for their sympathetic support to China during the past two years. Now that Japan is turning her spearhead against the whole world, he added, it behooves China and Russia to take up the responsibility to safeguard Far Eastern peace: Concluding, he said: "Japan's dream of world conquest has not yet been broken by China's resistance, and present events show that the Island Empire is prepared to carry her aggressive designs a step further, to conquer the world. But in so doing, Japan is merely throwing her national destiny in a mad gamble."

Wang and the Pact

While the Soviet-German accord has already caused an uproar in Japan, it will be interesting to watch what effects it will have on the anti-communist program of Wang Ching-wei. Wang, it may be recalled, has always advocated China's desertion of Communist Russia and closer relations with the Axis Powers, Japan, Germany and Italy. Dissolution of the Anti-Comintern Pact must be baffling to Wang's plans for the creation of a new puppet government in China based on anti-communism and reliance on the support of the three Axis powers.

Wang Ching-wei's present activities appear to be concentrated on propaganda. In the name of a so-called "China Institute of International Affairs," which is evidently intended to be confused by the public with the well-known organization, the "China Institute of International Relations," Wang has



Mass Resistance Weekly

"Wang Ching-wei, the running dog of the enemy who cleans the road for the Japanese tanks."

isued a pamphlet containing a collection of his recent utterances on "peace" and "anti-communism." The pamphlet appears to be liberally circulated among the newspapers in Shanghai. The *Review* alone was favored with four copies.

The failure of Wang's "peace movement" to win the support of the Chinese in Japanese-occupied areas evidently is irritating his Japanese masters. His recent radio broadcast in Canton has not only been castigated by the Chinese military authorities in Kwangtung, but has also aroused the ire of Gen. Ando, the Japanese commander in South China. In the course of his speech, Wang was quoted by the *Osaka Mainichi* as having said that Japanese troops in Kwangtung would first be withdrawn. Branding this statement as premature and contradictory to facts, Gen. Ando was alleged to have given Wang a severe scolding. Wang humbly apologized to the Japanese commander for his mistake and hurriedly left Canton for Shanghai, it was reported.

Hongkong Assassination

Public indignation at the continued pro-Japanese activities of Wang Ching-wei's agents in Hongkong was responsible for the assassination of his relative, Shum Sung, in front of the *South China Morning Post* building. Shum was seriously wounded by two pistol shots and several hatchet blows. He died shortly after, while the assassins made good their escape.

Meanwhile, the National Government has taken further disciplinary measures against Wang Ching-wei's adherents. The Central Supervisory Committee of the Kuomintang on Aug. 25 decided to expel Mei Szu-ping, Kao Tsung-wu, Ting Mu-tsun, Lin Pai-sheng and Li Sheng-wu permanently from Party membership on a charge of collusion with the enemy. Similar action was taken against Chen Chun and Miao Ping, high officials of the Nanking and Peiping puppet regimes. Acting on the decisions of the Central Supervisory Committee, the National Government is expected to issue an order shortly for the arrest of the abovementioned persons.

Wang Becomes 'Chairman'

A veritable farce was enacted in a building on Yu Yuen Road early this week, when Wang Ching-wei assumed the imposing title of "Chairman." According a report from reliable foreign sources, Wang Ching-wei on Monday convoked the "Sixth Congress of the Kuomintang" at his Yu Yuen Road residence, which is said to be the property of Gen. Chen Tiao-yuan and was recently confiscated by the Japanese. Some 240 persons, consisting mostly of Wang's friends and followers, attended the "Congress," which after an all-day session unanimously elected the dismissed Kuomintang politcian as its "Chairman." It was also decided at the meeting that ways and means he devised to form a new "government" under Wang during October.

What was generally regarded as another attempted political murder in Shanghai occurred on Sunday last week, when Wang Chi-lu, 58-year-old manager of the *Eastern Times*, local Chinese daily, was shot and seriously injured in the French Concession. Wang suffered a serious wound in the head and is hovering between life and death in the St. Marie Hospital. Chinese circles attached political significance to the shooting in view of the fact that the *Eastern Times*, was known to have accepted Japanese advertisements, such as, for instance, publicity for the Japanese-sponsored fish market in Yangtszepoo. It was also rumored recently that Wang Chi-lu was about to collaborate with Wang Ching-wei.

Another guerrilla attack on the Shanghai-Nanking Railway, resulting in the derailing of a combination passenger and freight train not far from Tanyang occurred last week, according to reports brought to Shanghai by travelers. The Japanese are said to be experiencing a harrowing time in maintaining control of the railway.

Despite Japanese efforts to induce India to follow Japan's leadership in the Japanese plan of "Asia for the Orientals" and to drive all Western Powers from the Orient, most of India is still staunchly behind the Chinese cause. Jawaharlal Nehru, leader of the Indian National Congress, told the press in Chungking. Mr. Nehru said that Indians, ever since the Mukden incident, had adopted an unfavorable attitude toward Japan.

Mr. Nehru arrived at Chungking on August 22 from Kunming by airplane. He travelled from India to Hanoi and from Hanoi to Kunming by air. Upon his arrival, he was welcomed by more than 500 civic and official leaders. Formal greetings were exchanged between Mr. Nahru and Gen. Chen Ming-shu, chairman of the China Branch of the International Anti-Aggression Campaign.

At a mass meeting held in honor of the Indian leader, Wu Chih-hui,

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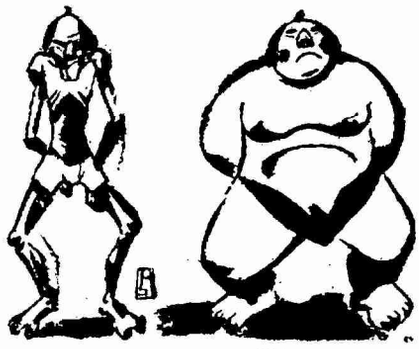
veteran Kuomintang official, expressed gratitude for the sympathy of the Indian people for China's resistance against the Japanese invasion. In reply, Mr. Nehru said that he had come to China in order to cement the friendly relations between the Chinese and Indian peoples and to personally express the admiration of Mahatma Ghandi and Dr. Tagore for China's historic resistance against the Japanese.

A reception in honor of Mr. Nehru was also given by the Chungking Garrison Headquarters and the Chungking Municipal Government.



China Times

The Japanese militarists before and after the Chinese war of attrition.

Presided over by Gen. Liu Shih, Garrison Commander of Chungking, the reception was attended by Gen. Feng Yu-hsiang, Foreign Minister Wang Chung-hui, Education Minister Chen Li-fu, War Minister Ho Ying-ching and many other leaders. Mr. Nehru, in an address, strongly deprecated the Japanese interpretation of the slogan "Asia for the Asiatics." This is sheer propaganda, the real aim being the domination of Asia by Japan, Mr. Nehru said. He also expressed strong disapproval of the Japanese-sponsored anti-British movement in the occupied areas.

Mr. Nehru called on Gen. Chiang Kai-shek on Aug. 26 and was entertained at luncheon by Gen. and Madame Chiang. The Indian leader was also honored at a reception given by Dr. H. H. Kung, president of the Executive Yuan. All cabinet members were present.

Finance Ministry Rulings

In an effort to forestall Japanese economic encroachments in the interior, the Ministry of Finance has issued a series of supplementary regulations governing private enterprises in occupied areas and districts adjacent thereto. Meanwhile, the Ministry also has been drawing up new regulations governing deposits and guaranteeing the safety of principal and interest on accounts in all provincial and local banks.

Renewed pledges of loyalty and support to their homeland were made by some 3,000 Chinese in New York who met in Washington Park last week. Addressing the mass meeting, Hsiao Chi-shen, member of the Standing Committee of the Overseas Department of the Chinese Foreign Office, said, "The Chinese spirit is at such a high point that it shows that our enemy will ultimately be repelled."

Yui Ming, counsellor of the Chinese Embassy at Moscow, arrived at Riga, Latvia, on Monday of this week by airplane of the Swedish-Russian air service en route to Paris, according to a *Transocean* report. Mr. Yui was said to have been making this trip on a special mission of the Chinese government.

Claim More Nippon Planes Shot Down

Nineteen Soviet planes of the I-16 type were shot down by Japanese aircraft in a battle over the Khalka River, on the Manchukuo-Outer Mongolian border, on Aug. 28, according to a *Domei*, report. The

Russians Did This!

For the first time, *Domei*, the official Japanese news agency, issued a picture showing destruction—not by Japanese bombers—but by Russian bombers in Manchukuo. The picture was taken in one of the railway towns at the western end of the North Manchuria Railway (previously the Chinese Eastern) following a visit by Soviet Russian bombers. The building destroyed belonged to the railway, which is now Japanese-controlled.

report said that 40 Soviet planes took part in the battle, and that in addition to the craft known to have been destroyed, three more were believed to have been shot down. The Soviets thus lost more than 50 per cent of their planes. One Japanese pilot was killed and one Japanese plane failed to return to its base, the report said.

A *Domei* dispatch from Hsinking on Aug. 27, the day previous to the reported air battle, stated that Japanese and Manchukuo troops were repulsing Soviet and Outer Mongolian forces which had been invading Manchukuo territory near Balshagar Height since Aug. 20. The dispatch claimed that the Soviet-Outer Mongolian forces had been completely encircled.

Credit Refused to Army and Puppets

Indicative of the financial morass in which Japan is now wading in search of elusive victory in China were reports this week stating that foreign business firms in Shanghai had refused, as from last week, to extend any credit to either the local puppet "Ta Tao" government or the Japanese Army which sponsors it.

It has been well-known for a long time that one of the largest Japanese corporations has been acting as purchasing agent for the puppet regime and the army. This firm, it is stated, has failed to settle its debts and foreign firms have accordingly placed all transactions on a cash basis. One American firm here was said to be unable to collect $175,000 (Chinese currency) owing by the agency firm. All Japanese institutions and firms, owing to an acute shortage of cash, are finding it increasingly difficult to meet their obligations.

From Tokyo last week came a report stating that the Government there had decided to issue an additional Yen 500,000,000 worth of China Emergency Bonds. Of the total, the Bank of Japan was to absorb Yen 350,000,000. while the balance was to be taken up by the Deposits Bureau of the Finance Office, presumably for offloading on the Japanese public. Some of the Bank of Japan's quota is to be sold through the post offices, it was stated.

China's Currency Still Shows Upward Tendency

The drop in the exchange value of British currency following withdrawal of support by the Exchange Equalization Fund led this week to a corresponding appreciation in the value of the Chinese dollar in relation to the pound sterling on the local exchange market. The pound has declined approximately 10 per cent.

The exchange rate in relation to the U. S. dollar also improved somewhat due to the fall of the Japanese cabinet and the continuing uncertainty in the international situation. Whereas one U. S. dollar was worth approximately $15.50 last week, the rate this week went to $14.26.

Shanghai is still suffering from a dearth of subsidiary coinage. The one and five-cent subsidiary notes of the Central Bank of China, expected here from Hongkong, have not been put into circulation, reportedly because it was discovered that counterfeiters had produced a large quantity of clever imitations and were ready to put them on the market simultanously with the genuine notes.

The street-car and bus companies of the International Settlement and French Concession have issued two and three-cent notes of their own to enable their conductors to make change. These are to be withdrawn as soon as the subsidiary notes of the Central Bank of China are placed in circulation.

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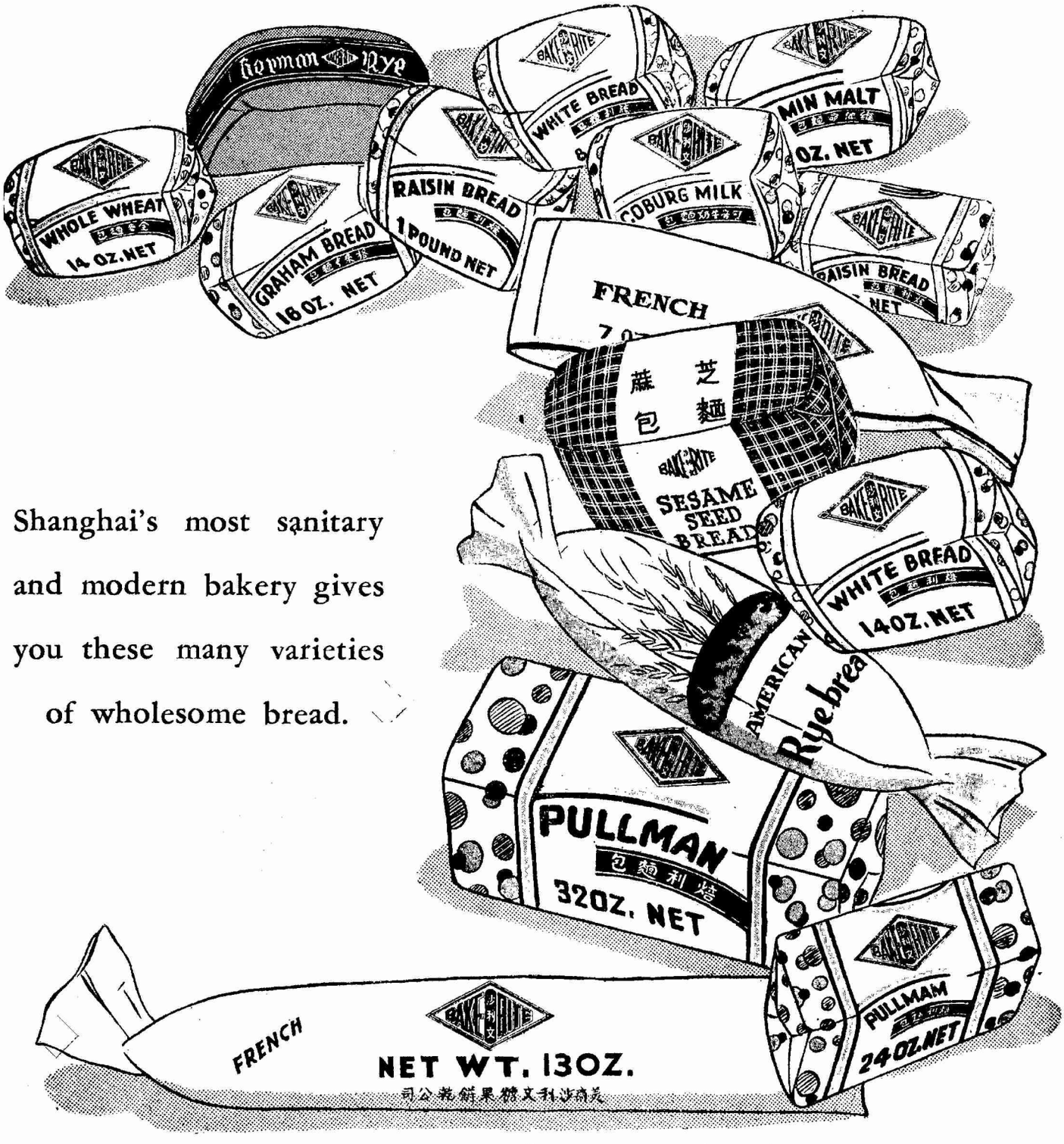

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90-027

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

August 12

Gen. Chiang Kai-shek addressed a special message to the Chinese residents of Shanghai on the eve of the second anniversary of the outbreak of the Sino-Japanese hostilities in Shanghai, expressing the hope that they "should exert individual efforts in the midst of difficulties and hardships to do their best to bolster spiritual and economic fortresses and understand the real meaning of the value of legal tender."

In a message to the gentry and educators of China, Gen. Chiang Kai-shek urged them to lead the masses toward participation in the spiritual mobilization movement.

Eleven Chinese, nine men and two women, wounded late tonight, when a bomb was thrown at the offices of the Japanese Inland Shipping Company in the West Hongkew District, Shanghai.

Shanghai presented the appearance of an armed camp, as the Settlement and French Concession Police tightened precautions to prevent possible outbreaks of terrorism.

National Government formally protested to the British Government against its decision to hand over the four Chinese detained in the British Concession at Tientsin to the Japanese. Chinese Foreign Office issued statement, denouncing the British decision which was said equivalent to surrendering the four Chinese to the enemy.

Acting on instructions from interested attorneys in London, H. A. Reeks, Shanghai British attorney of the firm, Ellis and Hayes, in His Majesty's Supreme Court, filed application for a writ of **habeas corpus** in the case of the four Chinese terrorist suspects held by the British concession authorities at Tientsin.

British press flayed the government's decision to hand over the four Chinese suspects to the Japanese in Tientsin. London said yielding to Japan's blackmailing.

The Chinese Pressmen's Association at Chungking issued statement, praising the Chinese journalists of Shanghai for their courage and patriotism and accusing Wang Ching-wei of motivating the terrorist activities against Chinese newspaper workers in this city.

An American mission and a Catholic cathedral were partially destroyed on August 7 when 25 Japanese planes dropped 100 bombes on Changchow, 30 miles west of Amoy in southern Fukien, accoring to Chinese reports.

Wuyuan, principal city in West Suiyuan, severely bombed by Japanese planes on Aug. 10, resulting in 39 persons killed, 20 injured and 30 houses demolished.

***

August 13

Second anniversary of the outbreak of Japanese hostilities in Shanghai passed off quietly. Two demonstrations, one of them anti-Gen. Chiang Kai-shek and the other anti-British, were held in the Japanese-controlled Hongkew District. Anti-Gen. Kai-shek leaflets scattered over Shanghai from a Japanese airplane. Anti-British demonstrations also staged in many other parts of China occupied by the Japanese.

Dr. C. Kuangson Young, Chinese Consul-General at Manila, in radio broadcast on the second anniversary of the outbreak of the Sino-Japanese hostilities in Shanghai, warned the Filipino people that Japan's recent capture of Hainan and Spratley Islands constitutes a menace to the safety of the Philippines. Dr. Young cited the famous Tanaka Memorial as disclosing Japan's designs for a hegemony over Asia. Declaring that the Chinese people have resisted the Japanese invader gallantly and will continue to resist, Dr. Young said that it is the conviction of the Chinese that forces of order, democracy and freedom of the world should pool their resources to aid them in their titanic struggle, for this is a struggle not only for China's independence but also for world sanity.

The British Government definitely has decided to resist the Japanese effort to link the question of policing the British Concession in Tientsin with the question of Chinese currency and Chinese silver stored in the Concession, according to London report.

Dr. Quo Tai-chi, Chinese Ambassador at London, protested yesterday to the British Foreign Office, urging Britain to reconsider her decision to surrender the four Chinese suspects in Tientsin to the Japanese.

Bringing the total of Malayan Chinese volunteers for the China war front to more than 2,000, the eighth "troopship" left Singapore with a party of 350 motor mechanics and drivers.

***

August 14

Gen. Chiang Fah-kwei, Commander-in-Chief of the Chinese Forces in Kwangtung, emphatically rejected the appeal made by Wang Ching-wei in his radio speech at Canton on Aug. 9 for a "regional armistice" with the Japanese troops in Kwangtung province. Denouncing Wang for his proposal, Gen. Chang expressed his determination "to drive the Japanese out of Kwangtung."

Anti-British mob stormed British consulate at Cheefoo on Aug. 11, smashed 18 windows.

Conditions in Tientsin will "teach" Britain the right course she should adopt in China, Major-Gen. Akira Muto, staff officer of the Japanese Forces in North China, told the press as he left Tokyo for Tientsin, bringing to an end a 37-day stay in the Japanese capital in order to attend the Anglo-Japanese conversations now at a sandstill. Non-arrival of London instructions to Sir Robert Craigie, British Ambassador at Tokyo, blamed for the deadlock in the negotiations.

The "Provincial Honan Government" has already taken over the administration of the British-owned Tsiaotso coal mines in northern Honan and has issued a statement emphasizing that British sent her protest to the wrong party when she protested to Japan against the confiscation, Japanese quarters in Peiping said.

The anti-British campaigns of the Chinese can not be successful without the aid of the Japanese Army, a Japanese Army spokesman at Peiping declared. He hinted that the Japanese Army had to act because some Chinese had no initiative.

The American Reformed Church Mission at Changchow, Fukien, bombed and badly damaged during Japanese air raid on that city on Aug. 12, according to report received at Chungking.

The American-owned Apostolic Prefecture of Kweilin, Kwangsi, suffered a loss of HK$50.000 when Japanese planes bombed two of the mission's compounds on July 31, according to a letter received at Peiping from the Prefect.

August 15

Mrs. Frances Mary Richard, well-known 59-old American woman resident of Tientsin, assaulted and slapped by Japanese sentry yesterday at the Japanese Concession barrier. Americans and other foreigners in Tientsin incensed at the brutal attack on an elderly woman by the Japanese. Washington informed of the incident.

Chinese servants working for Britons in Peiping threatened with murder unless they quit their jobs immediately, said a British spokesman at Peiping.

Radiotelephone service between Hongkong and Chungking inaugurated. Dr. H. H. Kung and Sir Geoffry Northcote exchanged greetings.

Workers on the **Nan Hua Jih Pao** and **Tien Yien Jih Pao**, organs of Wang Ching-wei in Hongkong, wired the National Government, declaring that they had declared a strike since Aug. 13 and served relations with the two papers.

More than £2,000,000 has been contributed to China's "war chest" against Japanese aggression by the Chinese living in British Malaya, according to Singapore dispatch.

Chinese forces in north-west Kiangsi have launched a new offensive against the Japanese on the north bank of the Chin River, along the line linking Kaoan, Fengsin and Chingan. Large-scale operations west of Hankow also predicted in the near future.

***

August 16

Japanese troops occupied Shumchun, Chinese town on the Hongkong border. The railway town was captured after having been subjected to terrific Japanese aerial bombing. 5,000 Chinese refugees rushed to Hongkong leased territory, bringing reports of terrorism and Japanese ruthless methods. Occupation of Shumchun seen as first step of blockade of Hongkong.

Two young Chinese, Chuk Chung-liang and Yuan Han-chun, in an open letter addressed to Sir Geoffry Northcote, the Governor-General of Hongkong, and the British Ambassador to China, Sir Archibald Clark Kerr, admitted that they are the real slayers of the late Cheng Shi-keng, "superintendent" of Tientsin Customs on April 9. Copies of the letter deposited in the **Reuters** Office and various Chinese newspapers in Hongkong.

The Japanese Embassy apologized to the American Embassy at Peiping over the assault and slapping by a Japanese sentry of Mrs. Frances Mary Richard, at Tientsin. Apology delivered to the American Embassy before it had received an official report from Tientsin on the incident.

It is possible, but improbable, that the International Settlement and the French Concession of Shanghai will be isolated by a Japanese blockade, said the Japanese Embassy spokesman at the press conference, in reply to a query on a Chungking report that the Japanese were now preparing such a blockade.

Gen. Li Han-huen, Chairman of Kwangtung, in a radio broadcast on the night of Aug. 14, urged the populace of Kwangtung to "rise and kill Wang Ching-wei."

A large Japanese force said to have been trapped inside the city walls of Chingchen in South-east Shansi. Hand-to-hand fighting reported outside the city. The Chinese also claimed a signal victory at Yicheng in southeastern Shansi, where some 1,000 Japanese troops said killed in a five-day battle.

***

August 17

Judge P. Grant Jones of the British Supreme Court for China in Shanghai rejected the application for a writ of **Habeas Corpus** directed to the British Municipal Police in Tientsin in the case of four Chinese at present detain-

90-028

HONGKONG SHANGHAI TIENTSIN

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90-029

ed by the Tientsin Municipal Council.

Gen. Sugiyama, supreme commander of the Japanese forces in North China, declared that an agreement on the Tientsin situation can only be reached if Britain surrenders the Chinese silver bullion stored in the British Concession and places a ban on Chungking currency at Tientsin.

Great Britain granted a credit loan of £3,000,000 to China, according to **Havas** message from London.

Replying to the two protests lodged by Rear-Admiral R. V. Holt, Commander of the British Yangtsze Patrol, Japanese army officials through the Japanese Consulate in Shanghai completely denied any implication in or responsibility for the damaging of British property and bombing and destruction of two British merchants ships during Japanese raids on Ichang on August 6.

Chinese armies in Shansi continue to make progress. Tsinyuan in southern Shansi reported recaptured on August 11 after a battle lasting several days.

For the first half of August, there were 299 engagements between Chinese and Japanese forces on various fronts, according to Chinese miliary communique issued at Chungking. In these battles, it is claimed the Japanese lost 9,672 killed and 105 taken prisoners.

***

August 18

H. P. Krogh, Dane, high official of the Great Northern Telegraph Company in Shanghai. assassinated by two armed Chinese. Motive of the murder believed political, because Mr. Krogh, as commanding officer of "A" Company, S.V.C., was accused by the Japanese press of having torn down a five-barred flag from the flag-pole on the roof of a "Ta Toa" police station on Great Western Road on July 17.

Anglo-Japanese negotiations at Tokyo over the Tientsin issue still deadlocked. Sir Robert Craigie, British Ambassador, informed the Japanese delagation that Great Britain was consulting with third Powers over the currency and silver issues raised by Japan.

Anti-British movement further intensified; many Britons in Tientsin threatened with death, according to **Reuter** report.

Summons for writ of **Habeas Corpus** in connection with the handing over of the four Chinese in Tientsin accepted in London. The summons was issued yesterday by Justice Cassels after the hearing of an **ex pare** application in Chambers.

Barry Eastham, American lawyer in Tientsin acting for Messrs. Ellis & Hays of Shanghai, obtained the power of attorney to act on behalf of the four Chinese suspects and to protect their interests and apply for a new writ of **Habeas corpus.**

United States Consulate in China compiling a list of all cases of Japanese maltreatment of Americans in China since the outbreak of the Sino-Japanese hostilities. The list said to have already exceeded 600 incidents.

Military Leaders Said Killed in Chengtu Raid

Thirty-four members of the Military Affairs Commission in Chengtu were said to have been killed or injured when Japanese planes bombed the provisional headquarters building of the commission on Aug. 19, according to alleged reports from that city quoted by the Japanese *Domei* agency in a dispatch from Hongkong on Aug. 25. The director of the commission was reported to have been killed or injured, likewise a large number of sentries stationed in the vicinity of the headquarters building.

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Nanping	*Kian*	CHUNGKING	*ICHANG*
Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
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Who's Who in China

Madame Chao, woman guerilla leader, better known as "Mother of Guerillas;" born at Hsiuyen, Manchuria, 1880; married to Chao Yu-tung in 1898; having witnessed the atrocious actions committed by Japanese soldiers in Manchuria during

趙老太太
Madame Chao (Miss Hung Wen-kuo)

the Sino-Japanese War in 1894-95 and the Russo-Japanese War in 1904-05, she decided to dedicate her life to the work of national salvation; since September 1931, she has led her four sons and three daughters in organizing a movement of mass resistance against the Japanese; contributed her family fortune to help her son, Gen. Chao Tung, to organize the "Northeastern Youth Iron and Blood Army" in 1934 and led the guerillas to harrass the Japanese in Manchuria, 1934-35; assisted her son in organizing the "North China People's Anti-Japanese Army" in 1937, which has been engaged in guerilla attacks against the Japanese in the occupied areas in Hopei Province; visited Canton, Hongkong, the Malay Penninsula and many ports in the South Seas, preaching the cause of mass resistance against Japan and soliciting contributions for the guerillas, 1938-39; address: 17 Chungking Chuen, Liang Lu Kao, Chungking, Szechuan.

India Troops Said Hunger Striking in Singapore

Nearly 6,000 troops of a Punjab regiment which recently arrived in Singapore from the interior of India en route to Hongkong were on a hunger strike, according to information reaching Tokyo Aug. 27 from Singapore, *Domei* reported. One officer of the regiment was said to have died and 50 desertions were reported. The troops arrived in Singapore ostensibly under orders to proceed to Penang. More than 2,000 of them were stationed at new posts in Penang, but 6,000 others were said to have protested against being transferred to Hongkong. It was recalled that during the World War a Punjab regiment mutinied at Singapore. The mutiny was quelled by British and Japanese marines.

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Men and Events

General Catrou has been appointed acting governor-general of French Indo-China in the absence of M. Jules Brevie, Governor-General who is now in Singapore as the guest of the British governor of Straits Settlements.

*

The *Sin Wan Pao* reported (Aug. 22) that $24,938,819 worth of foreign cigarettes were imported into Shanghai in the first seven months of this year. It represented an increase of $13,064,894 over the same period last year. Imports of cigarettes in July this year amounted to $3,266,422, most of which came from the United States, according to the Chinese paper.

*

Dr. Arthur N. Young, American adviser to the Chinese Ministry of Finance, was reported to have arrived in Manila from Chungking. The report appeared in the *Chinese-American Daily News* on Aug. 26. It said that Dr. Young was on his way to California to be present at the marriage of his daughter and would return to China in the near future. He was said to be travelling by the China Clipper.

*

An Austrian (Viennese) widow, apparently a recent arrival in Shanghai, advertised in the personal column of the *North-China Daily News* on Sunday, August 20, stating that she would like to meet a distinguished" English or American gentleman, 60-65 years of age, with the object of matrimony. She said she was independent and attractive and of quiet habits.

*

Sam Goldwyn, head of Samuel Goldwyn Pictures, Inc., Hollywood, has agreed to delete portions of a new film entitled "Real Glory," to which the Filipinos had taken exception. The new picture, shortly to be released, centers around the American occupation of the Philippines and contained several scenes to which officials of the Commonwealth had taken exception, notably one showing Filipinos fleeing from a Moro and another showing an American soldier slapping two native Filipinos. It had previously been announced that the picture was historically accurate and would not be changed, but following representations by the Resident Commissioner, Mr. Goldwyn cabled President Manuel Quezon on August 27 that the changes would be made.

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According to the Shun Pao the highway connecting Szechuen and Shensi has recently been greatly improvd, thus linking the Northwest with the Southwest. Transportation is controlled by the Northwest Transportation and the Szechuen-Shensi Highway Bureaus and is operated in three sections. The first connects Chengtu and Kwangyuan in Szechuen, the second, Kwangyuan and Hanchung in Shensi and the third, Hanchung and Paochi.

*

Major G. A. Herbert, British Superintending Consul at Tientsin, has returned to his post from Tokyo where he participated in the Anglo-Japanese discussions. Hikozo Tanaka, Japanese senior consul at Tientsin, who also attended the Tokyo conference, has returned to his post.

Sotomatsu Kato, who was appointed Japanese Minister-at-Large sometime ago, was expected to arrive in Shanghai this week where he will establish his headquarters. Mr. Kato was previously stationed in Hisinking, capital of Manchukuo, but was ordered to Tokyo where he took an active part in in the Anglo-Japanese conference. Mr. Kato will succeed Masayuki Tani, previous Minister-at-Large, who was recalled several weeks ago.

We trust that no one in the back benches will snigger when they read the following comment which *Domei* translated from the popular Tokyo daily, *Chugai Shogyo*: "Japan's criticism of Germany is not characterized by rancor because the Japanese are not inclined to arraign or condemn those who are dead to moral sense and who are justified in resorting to any Nachiavellian makeshift for safeguarding national existence ....it is the height of folly for Japan to blame such a country for breach of faith...."

*

Two of the U. S. Navy's newest type submarines, the Cachalot and Cuttlefish, are scheduled to sail from Honolulu on Sept. 2 on a 2,276 mile voyage to the port of Pago-Pago. It will be the longest trip ever taken by American submarines in Pacific waters. The Cachalot will be commanded by Lieut. W. N. Christensen, while the Cuttlefish will be commanded by Lieut. E. G. Peterson. The U. S. Naval authorities announced recently that the six old 800-ton submaries which have been stationed in the Far East for many years are shortly to be recalled and replaced by new 1,300-ton vessels.

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90-033

Charles S. Reed, 2d., previously American Consul in Shanghai, but recently Charge d'Affaires in Belgrade, Yugoslavia, was in Shanghai this week on his way to Saigon, French Indo-China where he has been appointed Consul-General. He is accompanied by Mrs. Reed. Mr. Reed is a native of Sandusky, Ohio and a graduate of Harvard and Western Reserve. He first went to Sumatra with an American rubber company, but resigned to join the U. S. Foreign Service. His first assignment was Tokyo, later going to Formosa, then to Yunnanfu, Shanghai and Peiping.

*

The Japanese military authorities reported that a Japanese sentry who developed a "slapping" complex at Wuhu, Anhwei province, early in July, has been punished. The incident occurred on July 3 and resulted in representations being made to the Japanese authorities here by both the American and British authorities. The victims of the sentry's brutality included Mrs. Walter Haskell of West Plains, Mo., member of the United Christian Missionary Society; Mrs. Haskell's 14-year-old son, Winston; Miss Anna Stocks, Bristol, Conn., Advent Christian Mission; Miss Bertha Cassidy, Canadian, attached to the Advent Christian Mission School.

*

Mussolini has expelled twenty-one foreign newspaper correspondents from Italy in the last two years, according to a dispatch from Rome by *Associated Press* on July 13, the latest to be expelled being Jean Deveau, Rome correspondent for the *Paris Soir*. In this case the reason for the deportation was not based on anything the correspondent had sent, but upon the "general attitude of the newspaper." Another French correspondent recently expelled from Italy was Robert Guyon of *Le Journal*. H. R. Ekins, American correspondent, with *United Press*, who also was expelled from Italy recently, has been succeeded by Reynolds Packard, who also was stationed in Shanghai for a time at the outbreak of the Sino-Japanese hostilities in 1937.

*

According to an article in the Kansas City *Star*, that "highly touted Chinese immigrant the soybean," has rapidly gained in popularity with the American farmer. The soybean was introduced into the United States as a "depression cure-all," and has steadily won an important place in the farmer's scheme of things. This year the American farmers are actually cultivating 8,119,000 acres of soybeans which represents an increase from 6,119,000 acres last year. Last year's production was 57,665,000 bushels of soybeans which was 13,000,000 bushels greater than the previous high mark in 1935. It is thought that this year's production will reach 70,000,000 bushels. While the industrial uses of the soybean in paints, varnishes and plastics, were stressed at the beginning, the American farmer has found the plant chiefly valuable as food for farm animals, particularly dairy cattle and pigs. The use of soybean oil is however, rapidly increasing, particularly in the production of vegetable shortenings, compounds, and cooking and in salad oils.

Capt. N. H. Pick, 53 years old a Russian, was arrested and fined $50 in the First District Court on August 24, for being in possession of a pistol and 124 rounds of ammunition without license. He was arrested at 448 Hart Road in the International Settlement.

*

Mrs. John S. Potter and son, John Jr., departed this week for the United States. After arranging for her son's enrollment in St. George's School at Newport, R. I., Mrs. Potter will go to New York to superintend the publication of her new book, scheduled for publication this autumn. The book will deal largely with Mrs. Potter's experiences as a newspaper correspondent and will be published under her maiden name, Edna Lee Booker.

*

Two Japanese residents of Los Angeles, Kitano Asano and Kane Hirao, well known in the business life of the city, were arrested on Aug. 21 charged with seeking to export small arms and ammunition to the Japanese naval attache in Shanghai. The arrests were made on information supplied by the U. S. Customs authorities, who stated that the parcels containing the pistols were found secreted on the Tatuta Maru while the ship was docked at Los Angeles. The parcels were addressed to the civilian residence of the Japanese naval attache in the International Settlement. The report (*United Press*) stated that the Japanese had failed to obtain export licenses for the shipment of the guns.

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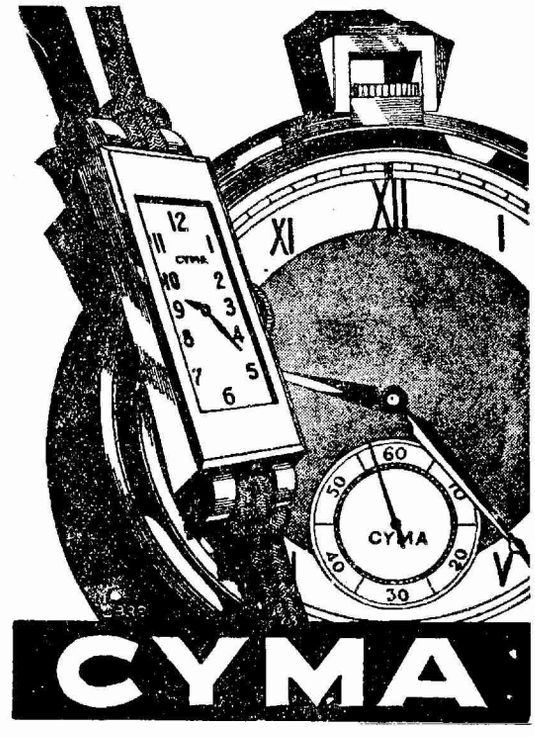

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The city council of Toronto, Canada, following the recommendation of Mayor D. C. MacGregor, has ordered a boycott of Japanese merchandise, from the standpoint of purchases by city departments. The city has also banned the purchase of German goods.

*

The police authorities at Kobe have arrested a Syrian merchant on a charge of illegal dealings in Japanese yen exchange between Shanghai and Japan, the amount involved being Y400,000. According to the report in the *Japan Chronicle*, the Syrian, whose name was not given, had engaged in fictitious deals in staple fiber, matches, porcelain ware, etc., in violation of the Exchange Control Act.

*

The U. S. S. Augusta, flagship of the U. S. Asiatic Fleet, arrived at Weihaiwei on Aug. 26, following which (*Reuters*) a conference was held by Admiral T. C. Hart, Commander-in-Chief, with Admiral Sir Percy Noble, Commander-in-Chief of the British China Station. The British flagship, H. M. S. Kent, which had been stationed at Weihaiwei, sailed for the south on Aug. 26. The Augusta and a British escort vessel, the Bideford, are remaining at Weihaiwei for the present.

*

Yee Chow, 52-year old Chinese, was arrested in Cleveland, Ohio, on Aug. 22, charged with alleged torturing of Chinese residents of the city for their failure to contribute toward the Chinese Government's war chest. Others arrested earlier on similar charges included Fong Hung, Cornelia Nellie Quill and two others. The report alleged that they had beaten another Chinese named Fong Goo, supposedly because of his refusal to contribute funds.

*

The Pan-American Airways Clipper, California, was scheduled to depart from San Francisco last week on a flight to New Zealand. The plane is of 74-passenger capacity and will survey the route, and aside from carrying 10 passengers to Honolulu, will not follow a regular schedule. The object of the trip is to make a study of wind currents, weather, harbors and channels along the route. It will make landings at Honolulu, Canton Island, Noumea, New Caledonia and Auckland.

*

An exhibition of Chinese war pictures in Manila has been viewed by 100,000 persons, according to *United Press*. Most of those viewing the exhibit were Filipinos, some 40,000 of whom signed a resolution demanding a boycott of Japanese goods and urging the United States Government to ban the sale of war materials to Japan. The report also stated that more than Pesos 5,000 (U.S.$2,500) had been donated for Chinese relief. A *Domei* report from Tokyo on Aug. 18, also referring to the exhibition of war pictures at Manila, alleged that the police had ordered the exhibition to be closed on the ground it was likely to create ill will. The *United Press* report stated, on the other hand, that the exhibition had proved so popular that it had been extended to Wednesday of this week.

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In the United States Court for China

In re.	Cause No. 4424
The Last Will and Testament of OLIVER CROMLOW CRAWFORD, Deceased.	Special Proceedings No. 2303
	NOTICE
	Filed at Shanghai, China, August 12, 1939
	WILLIAM T. COLLINS Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of OLIVER CROMLOW CRAWFORD, deceased, to present the same with vouchers to the undersigned on or before March 15, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Varena Scott Crawford
Executrix of Last Will and Testament of Oliver Cromlow Crawford, Dec'd.
Soochow, China.

Shanghai, China.

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Twenty-four Chinese students departed from Chungking for London on Aug. 26 where they will study at English universities. All have scholarships awarded by the British Boxer Indemnity Fund Committee. Two of the students will study aviation engineering.

*

The Soviet Government has appointed Alexander Semenovich Paniushkin as "temporary agent" in China in connection with the enforcement of the new Sino-Soviet trade agreement, according to *Havas* dispatch from Moscow on Aug. 20.

*

The U. S. Federal Court at Seattle, on Aug. 23, handed down a decision which may permit reorganization of the American Mail Line which suspended business a year ago when the Federal Maritime Commission refused to grant a subsidy. At the same time the Pacific Northwest Oriental Lines, Inc., announced that it was concluding an agreement with the Maritime Commission which was expected to pave the way for settling recent complications with labor unions over the company's hiring methods. As a result of these developments it was expected that two American freight lines between the Pacific Sound and the Orient would shortly be organized.

*

The Soviet Fleet at Vladivostok was considerably increased by the arrival there of several warships on Aug. 25 which had made the trip from Kronstadt by way of the Panama Canal. A *Reuter* report from Moscow on Aug. 22 stated that the Vladivostok ship yards had completed a new Soviet warship, which was described as the "first of its class." No details, however, were given regarding the size of the ship. A report from Panama about three weeks ago stated that the Japanese diplomatic authorities there had made inquiry about the passage through the Panama Canal of several Soviet warships.

For Teething Tots.

Because teething troubles are always a source of worry and anxiety some parents resort to soothing mixtures in their desire to allay their little one's pains. Such a practice is to be deplored, for these mixtures almost invariably contain opiates or other drugs harmful to the delicate organs of the young.

A comforting and perfectly safe remedy to use at this time is Baby's Own Tablets.

These tablets have a mild laxative action, and by settling the internal organs of the child they help to reduce the inflammation in the gums, ease the pains and allay any feverishness. Thus soothed the child enjoys restful sleep and awakens refreshed and happy.

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Major V. E. Duclos, Canadian Trade Commissioner at Hongkong has been transferred to Shanghai.

*

Baron George Barthel de Weydenthal, Polish Minister to China, is departing for Warsaw, Poland on Sunday, Sept. 3, where he will assume a position in the Foreign Office.

*

Mrs. T. V. Soong, wife of T. V. Soong, President of the Bank of China, is visiting in Manila. She was the guest of the Chinese Women's Relief Association of the Philippines on Aug. 28.

*

Don Chisholm, publisher of the Shanghai *Shopping News*, was married last week at the American Consulate at Chefoo, to Miss Valeria Ledian of Shanghai. Mr. Chisholm was born in Charleston, South Carolina and came to Shanghai 11 years ago.

*

The Japanese military authorities last week arrested 40 Chinese caddies and other employes of the British Hungjao Golf Club for the purpose of questioning them about Chinese guerilla activities in the vicinity of the golf course. Some of the boys were released on Aug. 28 and reported that aside from being questioned regarding guerilla activities in the surrounding villages, they were not mistreated.

*

Admiral Harry E. Yarnell, former Commander-in-Chief of the U. S. Asiatic Fleet, who returned to Washington recently, was awarded the Distinguished Service Medal by President Roosevelt on August 29. President Roosevelt, in presenting the medal said that it was awarded to Admiral Yarnell for "exceptional ability and tact and devotion to duty in protecting American interests during the emergency in China." Admiral Yarnell will retire from active service on Nov. 1.

Do You Get Enough Sunshine And Fresh Air ?

There are many thousands of office workers convinced that they do not get enough of these two important health factors. Important they are because they purify and enrich the blood, a condition which is essential to the maintenance of good health.

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The prescription of a British physician, an M.D. of Edinburgh University, Scotland, these pills are invaluable for the treatment of ailments arising from an impoverished condition of the blood such as indigestion, weak nerves, loss of weight, poor appetite, aches in the back and limbs, premature ageing, and women's health irregularities.

Equally good for men as well as women, Dr. William's Pink Pills are also an ideal tonic for children in their 'teens who are not thriving as they should. Obtainable from all chemists.

New Books of Interest in the Far East

Out of the Past

DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND JAPAN, 1895-1905—By Payson J. Treat. Stanford University Press, 1938. Price U.S.$3.50.

This work is a continuation of Professor Treat's two-volume study of *Diplomatic Relations Between the United States and Japan, 1853-1895* (Stanford University Press, 1932) and like the previous volumes undoubtedly will long remain a "definitive work" on the subject of these relations during the period between the Sino-Japanese War and the Russo-Japanese War. The period is characteristically one of friendship and understanding between the United States and Japan. However, the last months of 1905 are significant in the relations between the two countries for it is the beginning of the cooling of American admiration for Japan, especially after the Portsmouth meeting in September. Professor Treat offers as explanation of this growing coolness the fact that both countries had grown up or, in better words perhaps, had grown out of their original domains.

A scholar writing for scholars, the author has paid no attention to contemporary newspapers, periodicals or secondary works of the period, but has based his account entirely on original sources, the bulk of which he has taken from the archives of the U. S. Department of State. With very few personal comments in his text, Professor Treat has woven a colorful picture of eleven years of diplomacy by a careful selection of the telegrams, dispatches, notes, and instructions that passed between Washington and Tokyo. In view of the need for more books of this type by the student of Far Eastern affairs, it is regrettable that the Department of State has not yet placed at the disposal of scholars the state papers later than August, 1906.

Readers familiar with the two preceding volumes will be happy to renew their acquaintance, in the first three chapters of the present book, with Mr. Edwin Dun, American Minister in Tokyo from 1893 to 1896, whose dispatches were so "remarkably accurate as to facts and discriminating as to opinions." The election of the Republican, William McKinley, as President in 1896, forecast retirement of the Democratic Mr. Dun who for twenty-three years had served American interests in Japan. At the present time such a well-qualified veteran would probably be retained, but, as the author remarks, this was too much to expect of nineteenth century American politics.

Professor Treat takes up chronologically the definite Oriental problems, some large some small, that arose to vex Japanese and American diplomats of the time; everything from copyright agreements and the investigation of fur seals to the fate of the Philippines and the Hawaiians is discussed. Affairs relating to Korea (the Sino-Japanese War), Russia (the Russo-Japanese War), China (the Boxer Rebellion), and the Philippines naturally come into the story, but they are treated only in so far as they are the joint problems of the United States and Japan.

The question of the American annexation of Hawaii in 1897 and 1898 was one of the thorniest problems to arise. When the plan to annex these nominally independent islands matured, Japan immediately filed a series of impassioned protests, knowing full well that such annexation would mean the end of the favorable treaties she had made with the Hawaiian government and fearing that her newly-developed trans-Pacific shipping would be injured by Hawaii becoming a part of the American coast. Japan was likewise afraid that American laws would discriminate (and they certainly did!) against the 25,000 Japanese citizens residing in the islands. The affair was settled when the United States promised to recognize and respect the "vested rights" of Japan in Hawaii.

The reviewer would like to write at greater length on this authoritative book, but lack of space compels him simply to say that it must be placed on the shelf of any serious student of Far Eastern diplomacy.

C. E. P.

Czechoslovakia's Fate

WHEN THERE IS NO PEACE—By Hamilton Fish Armstrong. The MacMillan Company, New York, 1939. Price U.S.$1.75.

This book is a day by day, sometimes an hour by hour, account of the series of Czechoslovakian crises between February and October, 1938, which resulted in Germany's annexation of the Sudetenland. Mr. Armstrong, editor of *Foreign Affairs*, is naturally an uncompromising enemy of Hitler's foreign policy of aggression, but quite rightly lays equal blame for his diabolical success on the half monitory, half defeatist policies of Chamberlain and Daladier, policies which have enabled Germany to climb from the position of underdog to that of top-dog.

Chamberlain's policy of "appeasement" is not criticized so much on ethical grounds as on those of expediency—the fear that the more bones thrown to a hungry animal the greater will grow his appetite. How correct Mr. Armstrong's fears were has been clearly demonstrated by Hitler's gobbling up of the remaining few square miles of Czechoslovakia in March, 1939, as well as his present clamor for Danzig and the Polish Corridor.

There appears to be a paradox in Europe: a Europe whose people, even those of the totalitarian states, are sensible to the advantages of peace and sincerely wish to maintain it; and a Europe some of whose dictators seem anxious for war and who by rattling their sabres are able to

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blackmail peace-loving people. With the description of this paradox as an introduction, Mr. Armstrong plunges into the rapidly-moving narrative of how Czechoslovakia lost her independence, paying particular attention, naturally, to the climax of the story, the Munich Agreement and its practical application. For his sources, the author has used newspaper dispatches, official telegrams, "White Papers," and the published texts of agreements. An appendix gives the heretofore unpublished text of the Czechoslovakian reply of September 20, 1938, to the Anglo-French Plan in which the two allies first informed Czechoslovakia that the Sudeten territory must be ceded to Germany in the interests of European peace.

In the light of what happened to Czechoslovakia last March, it is unfortunate that the author did not withhold the publication of his book for another two months, thereby enabling him to tell the sequel to the story of Munich. But the book as it stands is of extremely high value in that it recounts in an easy, straightforward fashion just what happened last year in Europe.

C. E. Perry

Japanese Want Custody of 'Lone Battalion,' Others

Japanese authorities in Shanghai are dissatisfied with the attitude of the S.M.C. toward demands for the custody of Chinese soldiers interned in the Settlement at a time when the Shanghai area is under Japanese occupation, the *Tairiku Shimpo* said last Sunday. In reply to a demand from Mr. Yoshiaki Miura, Japanese Consul-General, for a list of the prisoners and their arms, the Settlement authorities on Saturday reported only on the number of the "Lone Battalion" who came into the Settlement after the famous siege at the Joint Savings' Society godown on North Szechuen Road, the paper said.

The Japanese authorities wanted information not only about those men but also about the 6,000 to 7,000 soldiers who were reported to have filtered into the Settlement and Concession at the time of the hostilities. The Japanese desired information about their whereabouts and their arms, according to the paper.

It was a matter for criticism, the paper stated, that more than 230 Chinese troops which had served under Hsieh Chin-yuan of the Central Army 88th Division were still being kept in prisoners' barracks at Kiaochow and Singapore Roads, now that the second aniversary of the Shanghai fighting had passed. Whether they were being fed at the expense of the Shanghai Municipal Council or the Chungking Government was not the only question for the Japanese authorities, the paper declared. The fact that the Chinese had not yet been handed over to the Japanese was a matter for a great concern, according to the daily.

Nippon Raiders Bomb Chungking Once More

Some 50 Japanese planes bombed Chungking again on the night of Aug. 28. According to the *United Press* report of the raid, a dozen incendiary bombs were dropped on the western outskirts of the city, causing three fires which were easily extinguished within five minutes, due to the fact that the missiles missed the crowded residential section.

Some 30 Chinese pursuit planes took to the air and gave battle to the raiders, reportedly bringing down two of the Japanese machines. The Japanes *Domei* agency's account of the raid said the the raiders were challenged by only three Chinese pursuit planes and that these were put to rout. On their way back to their base, the Japanese raiders scattered more than 100,000 leaflets, it was stated.

Berlin Denies Thaelmann Has Been Set at Liberty

Reports in the British press stating that Ernst Thaelmann, leader of the now defunct German Communist Party, had been released from the Moabit Prison in Berlin following conclusion of the German-Soviet non-aggression pact, were denied in a *Transocean* dispatch from the German capital last Sunday. Thaelmann has been prison since the Nazis came to power in 1933.

Chinese Journalist Shot Dead on Shanghai Street

CHU Hsin-kung, well-known writer and popular Chinese editor of the *Ta Mei Wan Pao*, Chinese edition of the *Shanghai Evening Post & Mercury*, has died a victim of political assassination. Mr. Chu was shot and instantly killed by a lone assassin near the North However, unlike many other terrorist Wednesday, when he was on his way from his house to his office.

Apparently Mr. Chu did not have a chance. He never knew what hit him for he died within a few seconds after his body struck the pavement. However, unlike many other terrorist cases, the assassin who is believed to be connected with the Wang Ching-wei clique, did not succeed in getting away. He was nabbed on the spot by a Chinese constable and is now lodged in a police station cell south of the Soochow Creek.

Mr. Chu lately received a number of threatening letters and he openly defied the terrorists to "come and get him." That was after he had received a threatening letter from the "Special Service Corps of the Chinese Kuomintang for Extermination of Communists," the same crowd that shot up the *Chinese-American Daily News* some weeks ago.

A staunch supporter of the Chinese National Government, Mr. Chu was a patriot and died for the cause of his country. He was popular among the literati of China. Before the war, he was editor of the *Chekiang Daily News*. He is survived by a wife and a seven-year-old son.

CHINA'S FATE AND AMERICA'S FUTURE

The recent action of the U. S. Government in abrogating the 28-year old commercial treaty with Japan brings to a close an interesting chapter in the relations of Japan and the United States. What will the next chapter disclose?

Through an interesting coincidence **THE CHINA WEEKLY REVIEW** published (July 22), just before the abrogation of the American-Japanese Treaty, an article written by Julean Arnold, American Commercial Attache, which provides the best possible background for an understanding of the significance of the recent Washington action.

Mr. Arnold's article has been reprinted in a 20-page pamphlet under the title. "China's Fate and America's Future." It may be obtained at the rate of five copies for $1. Since it constitutes the best explanation of the situation concerning the commercial relations of America-China-Japan, it should receive a wide circulation. Order a supply and mail to your friends and connections abroad.

Order a year's subscription ($14. including postage, in China) and you will receive a free copy of the Arnold pamphlet.

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